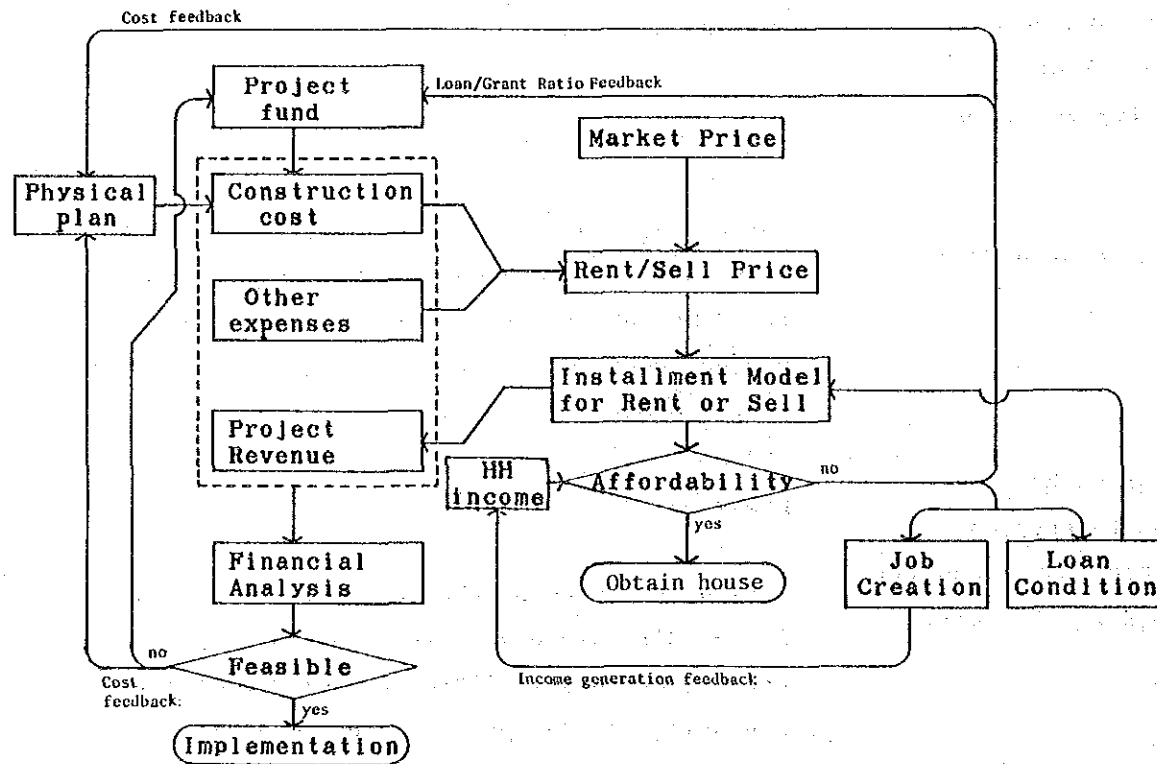


3.3 FINANCIAL FRAMEWORK

There are several issues combined in the study subject. One of the major questions in the study is how to supply houses to lower income people. This question cannot be answered through a single aspect but integrated socio-economic framework should be discussed.

In the six case study sites, sources of fund, rent fee or selling price setting through construction cost and/or market price, installment program, affordability analysis for specially low income people based on the rent fee and their income are discussed. Through the financial framework study of those components, appropriateness of the project is assessed.

Fig. 4.9 Work Flow for Financial Framework



Financial framework study for two priority sites among six Case Study Sites includes the consideration of job creation and income increase for low income people, setting of special loan program by new fund in addition to the items studied in the six Case Study Sites.

The study will proceed through the combination of those various study components and integration by feedback loop concept (Fig. 4.9).

3.3.1 Source of Fund

Potential sources of fund for case study projects are listed below and the brief consideration for each source follows:

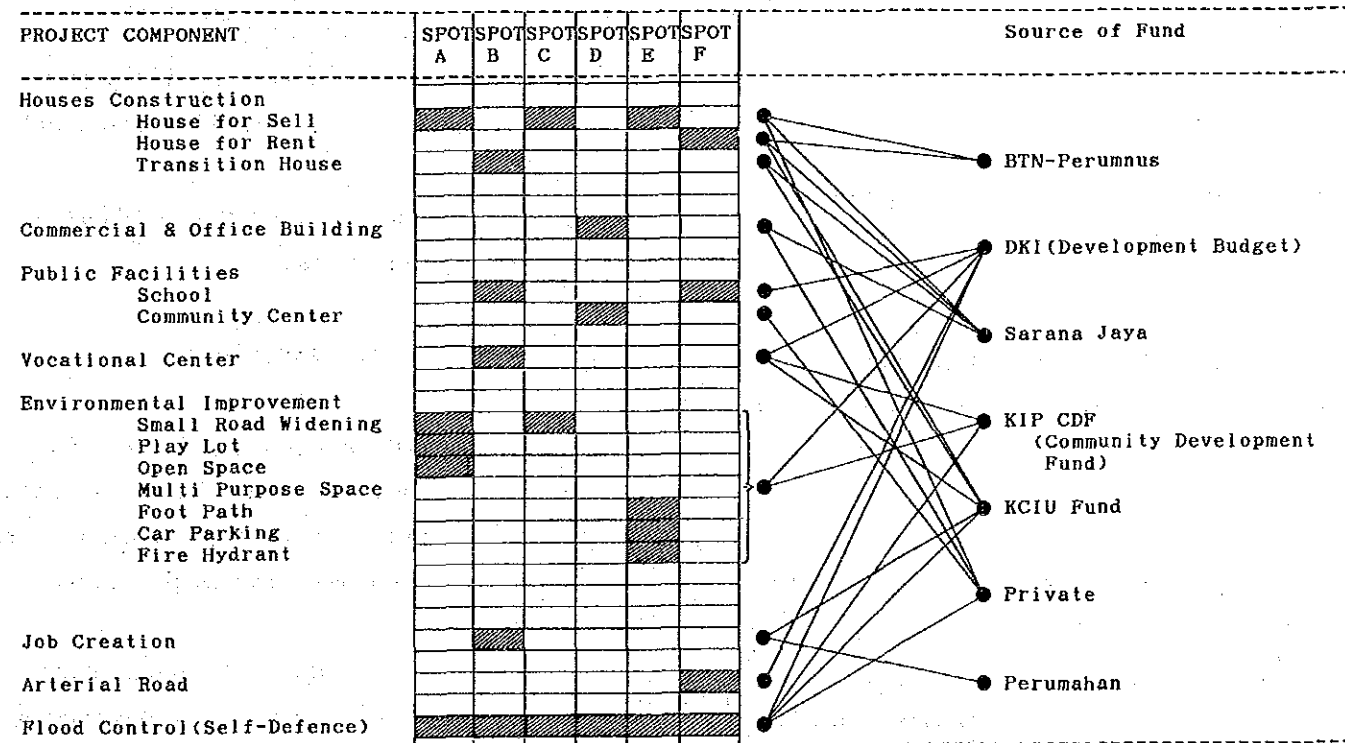
- a. BTN (Bank tabungan Negara) - Perumnas
- b. DKI Jakarta - Development Budgets
- c. Sarana Jaya
- d. KIP III. CDF (Community Development Fund)
- e. KCIU Fund (not existing - proposed entity)
- f. Private Fund
- g. Cipta Karya (Perusahaan)

1) B.T.N.

In order to open BTN loan, there are certain standard such as maximum and minimum limits to floor area, lot size, upper limit for house price and minimum down payment. Under those conditions, maximum loan offered has a ceiling by type of house.

There is an upper limit to the income of an expected debtor. Cipta Karya controls BTN Loans program by a

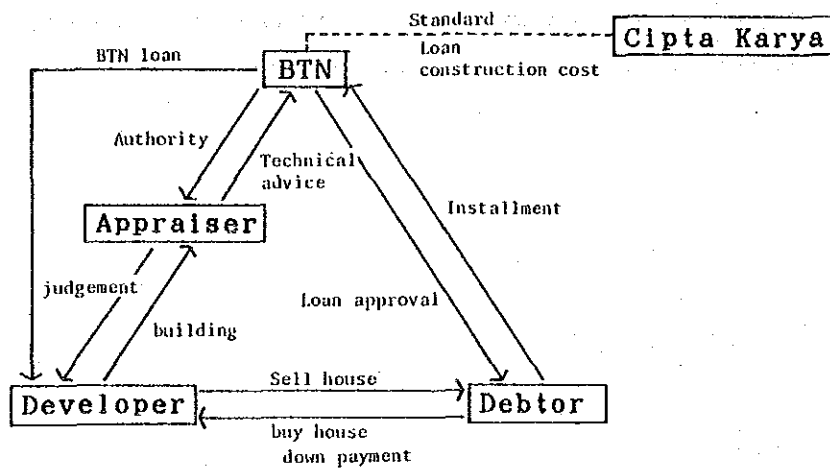
Fig. 4.10 Sources of Fund



standard construction cost, and in turn the price of house should generally not exceed a certain amount. There is a limit of maximum loan offered. Even though there are many standards set on BTN Loan program for ordinary developers, Perumnas house is an exception and always can be set with BTN Loan. Therefore the standard set on BTN Loan excludes both very low income group and high income group.

Maximum down payment varies from 10% to 40% and interest rate varies from 12% to 18%. The figures change depending upon the size and type of the house.

Fig. 4.11 Loan System by BTN



The house price on BTN loan program has a ceiling which is calculated by the following formula:

$$\begin{matrix} \text{Standard Price} & \times & \text{Floor Area} & \times & (1 + 1.15) \times 0.75 = & \text{Maximum Loan Amount} \\ \text{Rp.} & & \text{m}^2 & & & \text{Rp.} \\ \text{Cipta Karya} & & \text{By Type} & & \begin{matrix} \text{House} & \text{Lot} \\ \text{Varies by the} & \text{Loan could not} \\ \text{type of house} & \text{exceed 75\% of} \\ & \text{construction} \\ & \text{cost.} \end{matrix} \end{matrix}$$

2) DKI

DKI Jakarta has a development budget for new urban structure and housing in the following sectors:

- Transportation and tourism sectors
- Provincial development sectors
- Education and cultural sectors
- Housing and settlement sectors

The budget for infrastructure, urban development, sports and parks, housing supply and development, KIP, drinking water supply, improvement of sewage and drainage is allocated within the above mentioned sector.

DKI Jakarta has also a development priority within its administrative area. Even though DKI has set its development priority on the East and West of the city during Repelita V in the comprehensive city plan, activities related to residential area redevelopment or improvement are going on north of the city including the Study Area.

The six Case Study Sites are all in Jakarta Pusat and Utara.

3) KIP (CDF)

KIP in Repelita V expands its operation to socio-economic features in addition to physical improvement implemented in former KIP (KIP I and II) programs. The major sources of funds for KIP are:

- a. Central Government
- b. Provincial Government
- c. Local Government

- d. Loans from Government
- e. Community Resources

According to KIP Strategy Guideline, "Guideline KIP Strategy for Repelita V, 1989 April 15" by Cipta Karya the major portion of KIP funding is expected to come from Central Government. Central government policy is to make both provincial and local governments increase their share of KIP funding.

Community Participation is one of the important issues in KIP, even though it does not show a major portion of total fund at the moment KIP expects a great support from communities.

CDF (Community Development Fund) is the fund for supporting credit union in the community level which is intended to develop or improve own community by means of socio-economic features as well as physical features.

4) Sarana Jaya

Sarana Jaya is an executing body to supply and maintain rental houses to lower income people who could not enter into Perumnas house. The part of project cost for rental house comes from DKI Jakarta at the moment. But Sarana Jaya tries to self-finance its activities by executing other profitable projects.

Taking into account the income level of the people in the six Case Study Sites, Sarana Jaya has one of the highest possibilities for executing and financing various projects in the area.

5) KCIU Fund (Basic Concept of Proposed New Fund)

According to the Master Plan of Kemayoran Urban Development and Renewal Project, it is estimated that KCIU shall retain approximately Rp. 125 billion. Although the Central Government and KCIU do not have concrete idea of maximum utilization of the earnings at this stage, the Study Team proposes the creation of a new Fund from a certain portion of the above retained earnings. The following are the proposed concepts of the Fund.

(1) Type of Fund

From the viewpoint of current financial situations in the Central and Local Governments, the Fund should operate without financial support from the government. The Fund should operate from the revenue of interest from the original deposit and repayment of loan. For continuity of the Fund, it is necessary to retain the original amount of fund. However, in case of a policy by which the fund is used intensively, the Fund may finish its role in short term.

(2) General Goals of the Fund

General goals of the Fund are (a) to finance or subsidize urban renewal and housing development/improvement projects which include low income people's housing and (b) to provide project entity (public organizations, community cooperatives, private developers and so on) with technical assistance.

The provision of loans for low-income people who want to buy housing may be added in coordination

with existing systems such as BTN loan programme. Furthermore, in order to utilize precious urban land efficiently, the Fund may play a role in providing loan or grant to individuals seeking flats.

(3) Management

As KCIU is a temporary organization established to handle the urban development of the ex-airport, the Fund should be managed by a new or existing public institution or the local government. In order to reduce administration cost, it may be appropriate that the local government manages the Fund. If the fund has the function of financing individuals, the operation of fund can be entrusted to existing institutions such as BTN.

(4) Organization

In general, a bank or a fund has several divisions such as (a) Administration division; (b) Technical division; (c) Finance division and (d) Planning & Statistics division, under the General Manager and Board of Directors.

(5) Loan Operation Procedure

The steps for loan operation procedures are that (a) project entity must submit requests for approval. The request must contain all documents such as plans, feasibility studies, market surveys and so on needed to justify the project for loan or grant. (b) Loan or grant request is carefully appraised by the Fund staff.

(6) Projects Eligible for the Fund Loan or Grant

The eligible projects for loan or grant are as follows:

- a. Urban renewal
- b. Urban housing development
- c. Urban housing improvement

(7) Loan Eligibility Criteria

The proposed criteria for eligibility are as follows:

- a. Development/improvement of low-income people's housings
- b. Participation of community/cooperative which comprise residents and land holders
- c. Participation of public sector
- d. Project area with more than 5,000 square meters
- e. Others

Grant, where no repayment is needed, will be provided for the projects which highly improve housing conditions of low income people.

(8) Loan Conditions

Although setting up interest rate and maturity including grace period needs detailed study, based on the prevailing loan conditions of commercial banks and public organizations it is appropriate to set interest rate between 8-15% and maturity period between 3 - 10 years for project executing body, and the same range of rate and 20 years loan period for individuals.

(9) Volume of Fund

In order to depict the Fund, the volume of fund is assumed to be Rp. 70 billion which comprises Grant portion (20 billion) and Loan portion (50 billion). This amount derives from the estimate net cash flow of housing sales for Case 2 in Zone 2 discussed in CHAPTER II.

Loan portion almost corresponds to loan disbursement for Perumnas and private developer houses by BTN's Jakarta I branch (Rp. 51 billion for about 11,840 housing units) in the single year of 1987.

Table 4.2 Perumnas and Private Developer Houses Loan Disbursement by BTN in 1987

(Branch)	No. of Housing Units	Loan Disbursement (Rp. Billion)
Jakarta I	11,836	51.1
Jakarta II	18,735	87.1
Sub Total	30,571	138.2
National Total	59,476	259.7

Source: BTN Quarterly Statistics, September 1988


It should be noted that if the fund provides a loan of Rp. 50 billion at once, it cannot continue to finance until reimbursement is completed.

3.3.2 Compensation Model (Calculation of Compensation)


According to the Decree of the Governor of DKI, Jakarta, the amount of compensation will be assessed by the estimation committee (Team nine) assigned by the Governor of Jakarta. However the assessment of actual compensation must follow the activities of a) Survey of existing conditions, and b) Negotiation with owner or renter. Therefore for the purpose of initial project cost calculation for each case, the Study Team designed the following simplified model for assessing compensation.

There are two models to calculate compensation. One is the compensation for land, and the other is for building and other facilities. Compensation for land is based on each lot area, unit land value, owner's land title and the percentage of right of title. The percentages of right of title follow the Decree of the Governor of DKI Jakarta No. Da. 11/3/14/1972.1.

$$\begin{matrix} \text{Lot size (m}^2\text{)} & \times & \text{Unit Land Value} & \times & \text{Percentage} \\ \text{of Right} & & & & \end{matrix}$$



Survey



Survey

Decree of Governor of DKI

= Land Compensation

According to the Decree, the percentage of right of title is different according to the condition of each case. The calculation of compensation in this case study is based on the following assumptions:

- 1) All Hak Milik title holders are without certificate (90%).
- 2) All HGB title holders are without certificate (70%).
- 3) All Tanah Garapan in residential area are on privately owned land (90%).

Building compensation is based on the total floor area, building original value per unit area, and depreciation.

- 1) The detail of Decree of the Governor of DKI Jakarta No. Da. 11/3/14/1972 is shown in the end of this chapter.
- 2) The compensation for Tanah Garapan

Tanah Garapan is a right of cultivation. The compensation for Tanah Garapan on state land is calculated as 25% of land value. Even illegal settlers on Tanah Garapan can receive 25% compensation for the right of living on the place.

If there is a land owner on Tanah Garapan, the project executing body must sum up 100% or 90% of land value for its compensation, depending on the existence of certificate of land. In this case study, a land owner is assumed to exist for the land claimed Tanah Garapan. Therefore the compensation is calculated as 90% of land value assuming there is no certificate.

Percentage of building related to the building structure and age.

Floor Area x	Unit Price by Structure	x Depreciation Percentage	= Building Compensation
Survey	Penjaringan case	Decree	

The compensation for plants, well, fence and other items should be assessed and added to the building compensation. In this case study, calculation of compensation is summed up only for land and building. For more detail study, the rest of compensation items should be calculated and added.

According to the Decree, total four percent of estimated price is added to the sum of land and building compensation as honorarium to the committee for freeing the land (Panitia Pembebasan Tanah) and other administrative cost.

Total Compensation = (Land Compensation + Building Compensation) x 1.04

Percentage of Estimated Value of Land Paid as Compensation in DKI Jakarta under Decree of the Governor of DKI Jakarta No. Da. 11/3/14/1972.

Land Rights

- 1) Hak Milik
 - a. with Sertifikat ----- 100%
 - b. with Girik only ----- 90%
- 2) Hak Guna Vsaha ----- 80%
- 3) Hak Guna Bangunan
 - a. with Sertifikat ----- 80%
 - b. without Sertifikat ----- 70%

- 4) Hak Pakai (3 years) ----- 35%
- 5) Hak Pakai (10 years and 6 years)
 - a. with Sertifikat ----- 60%
 - b. without Sertifikat ----- 50%
- 6) Hak Sewa (rent)

(unless other arrangement in rental agreement)

 - a. upon private land ----- 50%
 - b. upon tanah negara/tanah PEMDA/tanah desa ----- 40%
- 7) Garapan (right to till the land)
 - a. upon private land ----- 40%
 - b. upon tanah negara/tanah PEMDA/tanah desa/ tanah instansi before the passage of PP/Law No. 51 of 1960 ----- 25%

3.4 PROCEDUAL FRAMEWORK AND PROJECT MONITORING

3.4.1 Project Procedure

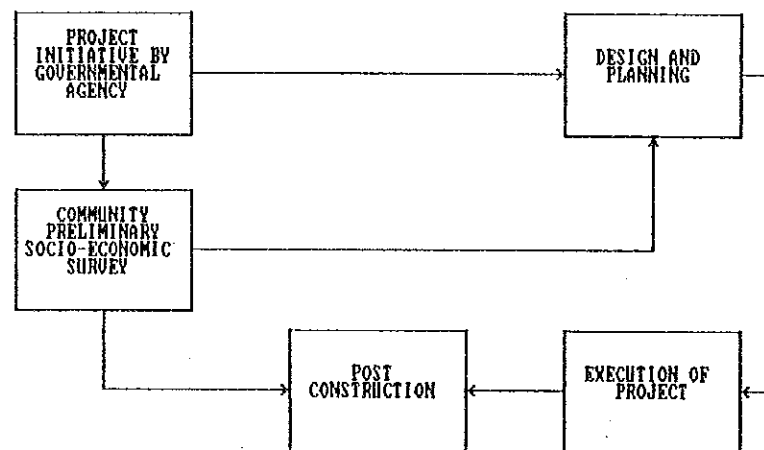
1) Project initiated by a Governmental Agency

This is the conventional procedure of the renewal projects that have been applied in Indonesia such as KIP project, GLD project and other housing renewal projects.

The governmental agencies solely initiate the project. They solely raise the finance and prepare the technical service organization (TSO).

The community participation is limited, but guided participation can be available for preliminary socio-economic survey at the start of the project.

This type of project is applied to sites A, B and F. Construction of road widening in site C and foot path in site E are conducted by the local government.



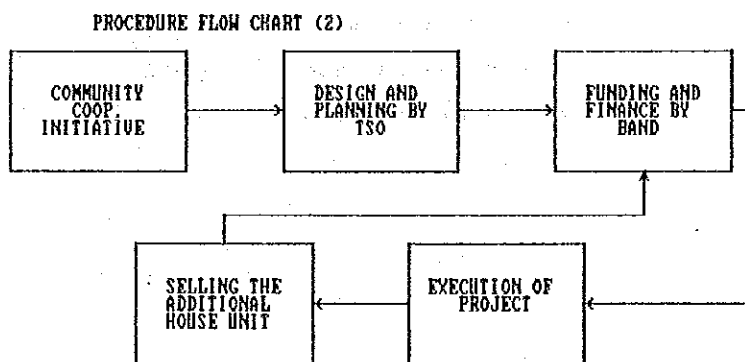
2) Project initiated by the community cooperative

This is a project in which the community group organizes a community cooperative to construct fireproof joint ownership housing.

The cooperative raises the finance by selling additionally constructed flats within their buildings.

Project initiation takes place as follows:

This type of project procedure is applied to sites C and E, especially for construction of fireproof and joint ownership housing.

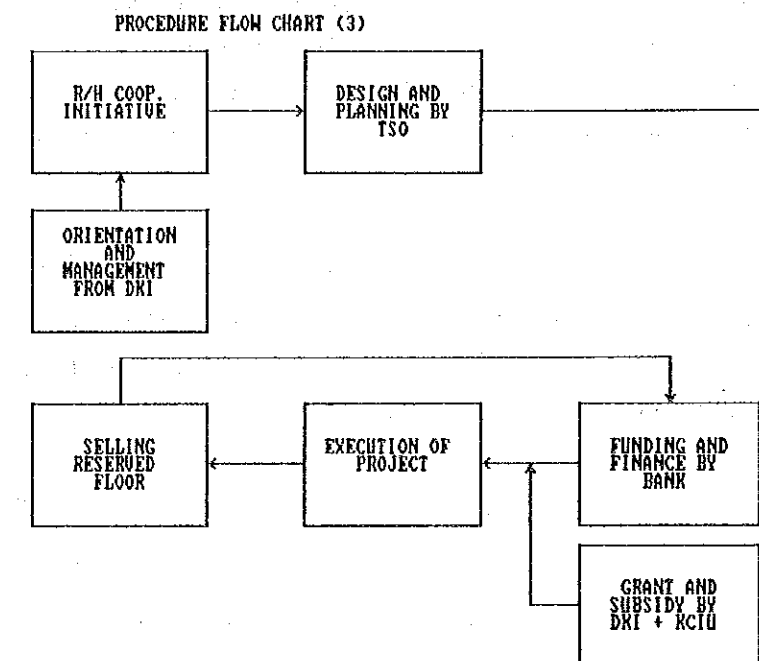


3) Project initiated by the right holders cooperative, guided by DKI

DKI orients the residents to organize a right holders cooperative in order to renew the designated area. The right holders cooperative initiates the project, while the technical assistance and administrative orientation are supported by TSO and DKI.

Grants and subsidies are provided by DKI and KCIU. DKI subsidizes the construction costs for public facility and KCIU may possibly subsidize the construction cost of housing for very low income brackets.

The following flow chart illustrates the project procedure:



3.4.2. Project Monitoring

1) Definition - Project Monitoring:

Project monitoring is the procedure of continuous or periodic data recording assessment, to gauge the expenditure of funds and achievement of a project as measured against component targets in the project plan.

2) Definition - Project Evaluation:

Project evaluation is a study assessing a project which is in its operational phase, to determine its impact (economic, social, environmental and institutional), cost effectiveness and achievement data for each.

3) General Description

An adequate procedure of assessing the progress of renewal projects necessarily requires data, but not just any data.

Relevant or strategic data are needed, and superfluous data which are not required to measure the performance of project implementation should not be collected. Data collection can be very time consuming and costly. The goal is to collect and analyze only the relevant data needed for renewal monitoring and evaluation purposes.

In order to identify what data are relevant, it is necessary first to carefully define the monitoring and evaluation objectives. A project can be assessed for many different reasons, requiring different kinds of data for each one.

Time is critical in assessment of the progress of renewal projects. Did the project commence on schedule? Has it achieved the various component objectives and targets as scheduled in the project proposal? Varied data concerning institutional arrangements, acquisition of land, funding arrangements, supply of materials, labor, training, reasons for delays, potential for employment creation, potential for revenue generation, as such, are required, and these differ greatly among different renewal projects as a result of diverse local conditions. The monitoring procedures must be able to quickly pinpoint problems and failures, diagnose malfunctions and search for remedial action. When the resources available for investment fall short of what is needed to keep implementation going, the monitoring and evaluation procedures must provide analytical aids to cope with the situation.

4) Responsibility for Conduct of Work

The responsibility for conducting renewal projects monitoring will be at the local government level. It is recommended that the community actively participate and that governmental agencies such as Perumnas, KCIU and BAPPEM KIP provide technical assistance. They will collect the data for the renewal projects and forward its summary to the Ministry of Public Work, Directorate of General Cipta Karya.

4. APPLICATION OF RENEWAL METHOD

4.1 GENERAL CONSIDERATIONS

There are no statutory renewal systems for comprehensive improvement of living environment including supply of housing in Indonesia.

However, the Kampung Improvement Project (KIP), as an institutionalized renewal system in urban area contributes to the improvement of living environment only without provision of building or housing, especially in blighted area. The Guided Land Development Project (GLD) which is also an institutionalized system for improvement of living environment, is active in the fringe area of Jakarta City.

Both systems play an important role in upgrading of living environment by providing the basic human needs. The project budget for these systems mainly relies on aid grants by international donators and central government. Besides the subsidy, community mobilization contributes to minimize the project cost.

The existing systems, including KIP and GLD, do not cover housing improvement and supply because of project cost. However a recent project in Surabaya, "Dupak Bangung Sari rental flat project" is significant because both components were executed by the local government and Bappem project office.

However, this project comes under the heading of urban housing renewal system, which varies from time to time and characteristics of the needs. This is a pilot project that offers solutions for existing needs in the face of urban renewal constraints in the future.

Projects which include housing supply have been carried out without systematic regulations and statutes. The subjects, such as community participation, selection of site and recognition of land title, have been solved according to local custom and precedents. The usually limited project budget is one of the important reasons that renewal method development was not prepared so well.

Both the local and central governments have carried out the project by raking through the existing independent planning tools for implementation. The technical know-how on urban housing renewal projects have not been accumulated by both agencies because of project nature as a pilot project and the fact that no bottom up project had been implemented.

It is essential to elaborate the technical know-how and existing independent decrees for urban renewal and formulate them into a systematic and rational method. Such a method should then be institutionalized.

The recognition and identification of land tenure is essential to promote the implementation of the project. The recognition of land title encourages the people to maintain their living environment, even though the land tenure is implicitly recognized. The NGO, Non Governmental Organization, should be used to carry out the survey to identify land right holders together with the inhabitants.

The procedure in which the people cooperate with the NGO in surveying their own situations, contributes greatly to the project's success and is one form of community participation.

4.2 BASIC CONDITIONS OF METHODS IN INDONESIA

4.2.1 General

When any necessity of urban renewal or other public works involving right holder occurs, the project starts by land acquisition according to the decree concerning compensation issued by DKI Jakarta. The decree for land acquisition is enacted solely for the respective project upon request and when the situation arises.

4.2.2 Land Acquisition

The land acquisition implemented calls for the inhabitants to renounce their land title and then to give them an opportunity to acquire a new land title after completion of the project. The renunciation is carried out with compensation according to the status of right.

In almost all projects executed through land acquisition, the amount of compensation for the land is estimated by the basic land price for taxation. Naturally, this amount is lower than the actual market price. The inhabitants cannot afford to resettle in new houses without subsidy.

4.2.3 Land Tenure

The land tenure is defined by the Agraria law No. 5, but it is very difficult to identify the right holder. The status of occupancy of land is very complex. The guidelines of cadastral system have been authorized, but the determination of identification of land tenure is lagging in execution. The registrations of land tenure is lengthy and costly for the ordinary people.

Under the present situation recognition of land title is being resolved at the time of respective project implementation. An identification of land tenure is essential before the implementation of a project.

4.2.4 Community Participation

The people have to be responsible for maintaining and improving their living environment. The executing body is able to formulate a consensus among the community on implementation of a project by allowing them to participate in a part of that project.

4.3. TRANSFERRABILITY OF METHOD ESTABLISHED IN JAPAN AND OTHER COUNTRIES

The renewal methods in Asean countries excluding Japan are not applicable to Indonesia because of difference in economic conditions and legal aspects. The renewal methods in the Philippines and Thailand, generally speaking, are insufficient, it is very difficult to borrow from the statutes supporting the renewal projects in those countries. Thus the renewal methods often used in Japan only will be introduced.

4.3.1 Introduction of Renewal Method in Japan

The following four representative renewal methods are often used in Japan:

- Right Conversion System (RCS)
(Urban Area Redevelopment Project (UAR))
- Land Readjustment Project (LRP)
- Residential Area Improvement Project (RAI)
- Residential Environment Improvement Model Project (REI)

1) Right Conversion System (RCS) (Urban Area Redevelopment Project (UAR))

(1) Background

As a result of population concentration in urban communities with economic growth since the 1960s, Japan came to face serious urban problems such as aggravation of environment, increase of damage potential by disasters and shortage of housing. Solving such problems through individual reforms is of less efficiency. Consequently, redevelopment of urban communities as a whole has been needed where redevelopment projects have been executed on the basis of the Urban Redevelopment Act (URA). The original URA was enacted mainly for arrangement of public facilities in 1969. The act was modified by merging of the Fire-proof Residential Area Promotion Act. The modified URA legalizes so-called right-conversion system which is originated in the Land Readjustment (Kukaku-seiri) Act.

(2) Purpose

Article 1 of URA stipulates its purpose as "contribution to public welfare by taking reasonable and sound efficient utilization of land in urban communities and renewal of urban functions". These direct and/or indirect purposes are described as follows:

- arrangement of favourable urban environment
- urban-disaster prevention
- supply of favourable urban-housing
- provision of public facilities

(3) Features

The features of this renewal method can be described as follows:

- Right-conversion method in place of land acquisition. Previous rights of land and/or buildings are to be converted to certain floor area of renewed buildings.
- Revenue financing system
Necessary finance for the project is earned by sale of reserved floor.
- Participation of private sector

2) Land Readjustment Project "KUKAKU-SEIRI"

This method aims at the development and improvement of public facilities and the promotion of intensive use of housing lots. The feature of this method is marked by application of method of sale of reserved land for covering the project cost.

Land owners temporarily waive their rights of ownership or lease over the land within the project area. A part of the land is then given over to public facilities as well as areas reserved to defray the project cost. This is what is known as a "land decrease". The rest is subsequently developed into orderly plots and distributed to the former landowners and leaseholders, with due consideration being given to the areas and locations of their former properties. The reserved areas are sold to pay for the project cost.

The basic idea behind this scheme is that, although the redistributed lots are smaller than original properties, the increase in the value of land after development compensates for the decrease in size.

3) Residential Area Improvement Project (RAI)

The residential Area Improvement Project (RAI) is intended to clear blighted areas and improve environment by carrying out the demolition of ill-conditioned houses and the construction of housing and public facilities.

The RAI project is proceeded by three stages; designation of project area, preparation of implementation plan, and execution of the project.

(1) Designation of project area

The general executor of the RAI is to be municipalities. The designated area shall be one where residential conditions are so critical as to meet the criteria stipulated by the governmental ordinance.

The designation of the project area accompanies no restriction of rights. However, it is a due activity to determine the area where restriction of rights is to be executed.

(2) Preparation of implementation plan

The implementation plan shall include utilization of land in the project area, number of houses to be improved, design of construction works and financial plan. The main substances in the said plan are as follows:

- a. Removal of poor houses which are the elementary factors for environmental deterioration

- b. Arrangement of fundamental facilities and housing site
- c. Supply of houses to persons recognized as ones who are in need of housing due to the project execution

The RAI project is not always necessarily one of housing improvement construction. In the recent years, it is recognized that such RAI project shall be planned in line with city-plan projects to create more advanced residential environment.

(3) Execution of project

After the notification of the implementation plan approval any person undertaking construction that may be an obstruction to the project must obtain permission from the prefectural governor.

For site-arrangement required to remove existing poor houses and/or to install temporary facilities, expropriation and eviction orders are authorized to execute the project. However, mutual understanding between the executor and the local dwellers concerned is essential for the smooth execution of the project.

The implementation plan decided at the beginning is to be amended due to the change of dwellers, etc.

4) Residential Environment Improvement (REI) Model Project

(1) Introduction

The REI model project is introduced to enhance RAI project by modifying its definition of the housing-to-be-improved.

(2) Features of the project

As compared with conventional REI project, the REI model project has the following features:

- a. Expansion of project area
Since the requirements for project area selection are loosened, a larger variety of areas possibly come into the range of planning. From the viewpoint of overall improvement of residential environment, the minimum project area shall be 1 ha. or more. The joint execution of the REI project and the REI model project may also be possible.
- b. Introduction of repairing system
In principle, the conventional REI project is planned to completely evacuate the project area for construction of improved housings. On the other hand, this model project introduces a modified system composed of partial REI system plus ill-conditioned house repairing, making the REI project more feasible. The executor is to primarily put emphasis on the designation of to-be-improved houses by evacuation.

c. Promotion of house-ownership

In implementation of the model project, the house-ownership promotion scheme in which the executor may build housing for sale is adopted. The beneficiaries are the rightful persons who are to lose their housing through implementation of the REI project. The Local Housing Supply Corporation has been an authorized supplier since 1983. In addition, this project also makes the construction of private houses possible.

d. Aid to overall improvement of residential environment

Full financial aid is introduced for improvement of roads, play lots, greenery and sewage/drainage facilities.

The explanation of these Japanese renewal methods are excerpted from the text for JICA trainees.

4.3.2 Introduction of Renewal Method in Singapore

In Singapore there are two renewal methods applied as measures against slum area and harness potential for commercial area. In one method an authority (the Urban Redevelopment Authority) carries out clearance of site, compensation to residents and/or entrepreneurs and provision of houses after eviction, and then the authority possesses a part of cleared site for its own building to receive residents and/or entrepreneurs evicted by implementing forthcoming renewal projects. The remaining site will be sold by means of tender.

The other method calls for the authority to cooperate with private sectors in participating in renewal project positively with regard to compensation and resettlement to the residents and/or entrepreneurs. The latter was institutionalized to promote the former method in the center of Singapore.

4.3.3 Introduction of Renewal Method in Thailand

In Bangkok, the capital of Thailand, the method named "Land Sharing" is implemented as a countermeasure against clearance of squatter area. Squatters faced with imminent eviction have organized and bargained successfully for a share of land they currently occupy, and landlords - usually after protracted negotiations - have agreed to sell or lease them the land.

Land sharing - the partition of the land into two parts, one for use by the landlord and one for use by the present occupants of the site - can be a pragmatic and constructive resolution of conflicting claims; landlords cannot proceed with their development plans, and squatters cannot invest in improving their houses while the threat of eviction continues to hang over them. It becomes a realistic compromise between landlords and squatters when the intentions of landlords to repossess the land become clear to the residents, and when the residents decide to resist their eviction.

The method of land sharing usually results in major improvements in housing and a significant increase in asset formation.

4.3.4 Transferability of Urban Renewal Methods

- 1) The Japanese urban renewal methods introduced in the previous article are partially transferable to Indonesia.
- 2) Land Readjustment method has been partially transferred, but not as a whole system. This method, so called "Land Consolidation", does not include the system which generates the construction cost of infrastructure by selling the reserved land. The land

consolidation system is a transient method toward land readjustment.

- 3) The "Residential Area Improvement Project" and "Residential Environment Improvement Model System" can be partially applicable, only in philosophy. This is because the project budget of these systems is secured by the grant. If these systems are applied, an insufficient self-sustained system is required because of insufficient budget for improving living environment in both central and local government.
- 4) The "Right Conversion System" can be transferable under certain conditions such as self-sustained system. The project cost can be even secured by selling reserved floor area. However, to sell the reserved floors with marketable price, grant in aid by both the central and local government must be provided.
- 5) The applicable systems would be more realistic and effective if the following significant items could be available:
 - a. Institutionalization of proposed renewal system
 - b. Identification of land tenure by executing the cadastral system
 - c. Provision of advantages to the project participant such as exemption of tax, provision of soft-loan, and presentation of upgraded living environment
 - d. Easing the city planning regulation such as floor area ratio
 - e. Provision of subsidy for the construction of public facilities, common facilities and utilities of renewed building

4.3.5 Application of Method to Each Case Study Site

SITE	CHARACTERISTICS	OBJECTIVES OF IMPROVEMENT	A P P L I C A B I L I T Y			
			RESIDENTIAL AREA IMPROVEMENT PROJECT	RESIDENTIAL ENVIRONMENT IMPROVEMENT MODEL PROJECT	URBAN AREA REDEVELOPMENT PROJECT	LAND READJUSTMENT PROJECT
A	The northern part of site is demolished by new road for Kemayoran Complex. The site is located in a typical kampung. Major landuse is residential. High-rise apartment housing shall be provided at adjacent site.	The main spatial structure and fairly good buildings will be maintained as they are, and the environment will be improved by providing open spaces, landscaping and street furniture. New houses will be provided for displacing residents.	LOW	HIGHLY APPROPRIATE	NIL	NIL
B	The site is illegally occupied by slum dwellers. Housing and population density is high. Executing body clears the site. The residents are so poor they cannot afford the houses supplied by the public sector. They are mostly jobless.	The executing body provides temporary housing and job training in order to obtain social consensus of implementation of Kemayoran Complex.	HIGHLY APPROPRIATE	LOW	NIL	NIL
C	The site is located in the typical kampung. Major landuse is residential. Insufficient infrastructure is provided. The narrow street prevents emergency vehicles from passing. Sense of community is strong.	Joint ownership flat is recommendable for residents to be evicted by road widening to continuously live there. Improvement of residential environment is necessary to meet Kemayoran Complex level.	LOW	HIGHLY APPROPRIATE	NIL	LOW
D	The site faces Jl. Angkasa which is planned to be widened in the future and will connect the commercial center in Kemayoran Complex. Site potential for commercial use is very high. Major landuse is residential.	The site will be an optimum example to apply Japanese renewal method, i.e., Urban Area Redevelopment Project. The study aims to identify renewal systems and mechanisms integrating such poor housing areas with road side commercial facilities development.	NIL	LOW	HIGHLY APPROPRIATE	NIL
E	The site is well developed and maintained. The population density is extremely high. There are no sufficient open spaces nor foot path which cross this long block. Under the continuous threat of fire the situation is dangerous.	Foot path and fireproof housing will be provided to prevent urban disaster. The case study for the site aims at applying the local government attitude when improving and upgrading residential environment.	NIL	HIGHLY APPROPRIATE	LOW	NIL
F	The major landuse of site is residential. The site is characterized by sprawl, ill-conditioned houses and narrow street. Community is young. Water supply and sewer service is extremely insufficient. The site is located between housing development districts.	It is required to replot housing parcels to meet surrounding residential environment. Infrastructure shall be provided in accordance with DKI standard.	LOW	LOW	NIL	HIGHLY APPROPRIATE

5.. INTEGRATED URBAN INFRASTRUCTURE DEVELOPMENT PROGRAMME

5.1 Background of Integrated Urban Infrastructure Development Programme

Numerous efforts have been made by the Central Government to meet the needs of social and economic infrastructure services for urban residents from Repelita I (1969-1974) to Repelita IV (1983-1988). Nevertheless, due to constraints in available financial and manpower resources, and due to the rise in demand for urban services by natural population growth, rural-urban migration and increasing socio-economic activities, the results of development so far have not been sufficient to meet the needs.

In this connection, the Coordination Team For Urban Development has been organized in 1987 according to the BAPPENAS's DECREE No. KEP.016/KET/3/1987 for providing necessary urban infrastructure by means of upgrading government capabilities, especially regional levels, through "Integrated Urban Infrastructure Development Programming (IUIDP)" process.

A variety of measures are being implemented to upgrade government capabilities, and the goals expected to be achieved over the next 5-10 years through these efforts are;

- a. effective decentralization of urban infrastructure planning, implementation and operation,
- b. strengthening the Local Government's responsibility for financing urban infrastructure, and

- c. strengthening the Local Government's capabilities to carry out these responsibilities.

In accordance with this IUIDP process, the strategic plan and guidelines for development of urban infrastructure including multi-year financial formation have been formulated in 1988/1989.

Urban Infrastructure services include raw water supply, flood protection, urban drainage, urban roads, water supply, KIP, sanitation and solid waste management. Subsectors of Cipta Karya have

formulated the strategic plan and guidelines for each infrastructure sector as shown in Fig. 4.13.

Infrastructure development accompanied with urban renewal shall be planned and implemented by multi-sectors in harmony with such guidelines, financial capability of Local Government and affordability of inhabitants.

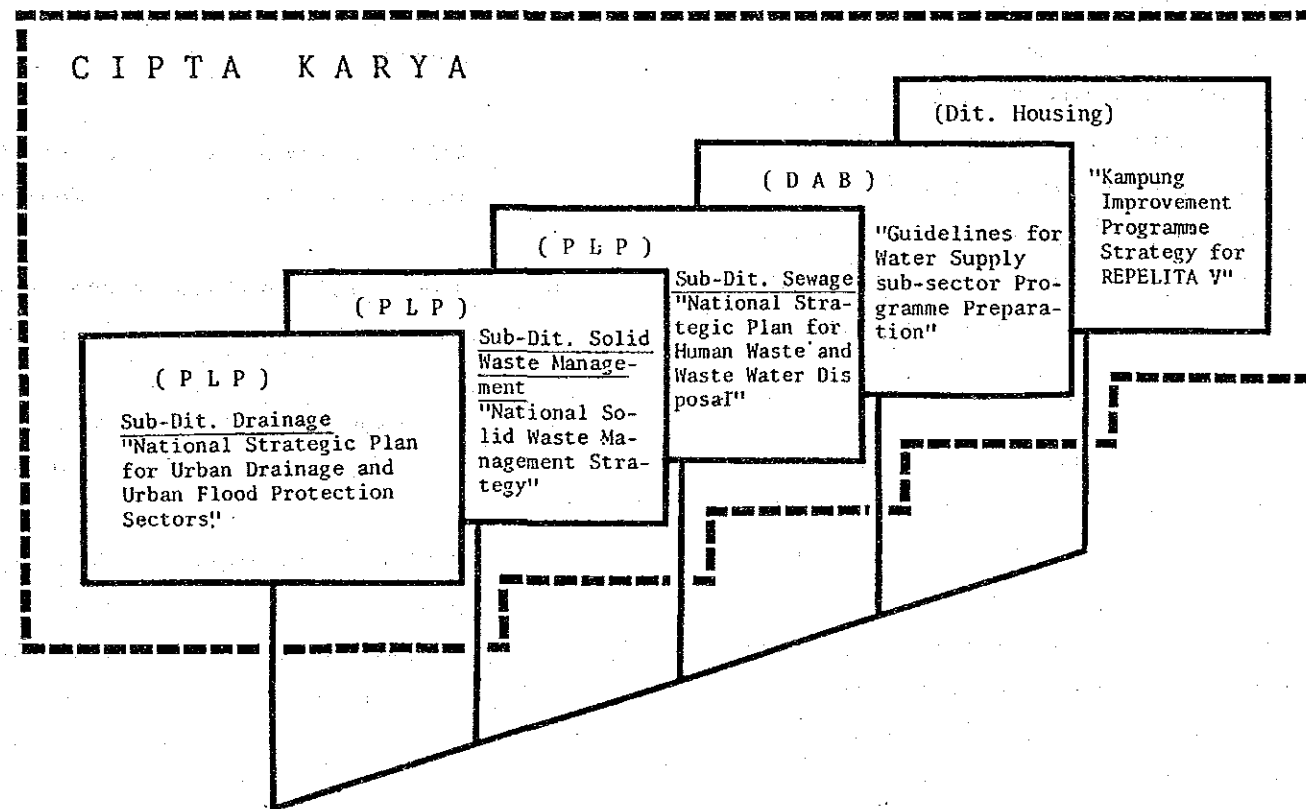


Fig. 4.13 Strategic Plan and Guideline for Development of Urban Infrastructure formulated by Cipta Karya

5.2 Guidelines for Urban Infrastructure Development

1) Sewerage

In the course of strategy study, PLP of Cipta Karya has evaluated the extent and quality of existing sanitary facilities and services, and formulated the medium term strategy plan in 1988.

Government funding up to Repelita IV has been concentrated on a few major municipal sewerage projects that serve only a small proportion of the urban population, and that appears to have little opportunity of being self financed. The declining Government resources, especially as a result of the fall in oil revenues, demand much better cost recovery. As a result, a medium term strategy has been formulated which maximizes the medium term environmental health benefits within the limited public sector resources for Repelita V by proposing a much larger number of small scale projects which satisfy quickly the needs of identified target groups.

Fig. 4.14 shows the expected transition of improving sanitary facilities according to the community's affordability. Table 4.4 shows the guidelines for selection of sanitary facilities based on the community's characteristics and affordability. New city-wide sewerage system should not normally be considered in terms of cost/benefit and financial feasibility except where installation cost is locally affordable in new high/middle income development area and where particular environmental sensitivity is required such as tourist area.

The sanitary facilities to be provided in the 6 Case Study Sites are selected in accordance with such guidelines and the community's affordability as shown in Table 4.5.

Table 4.5 Sanitary Facilities of Each Case Study Site

<u>STUDY SITE</u>	<u>CHARACTERISTICS</u>	<u>SANITARY FACILITIES</u>
A	Existing low/middle income housing	Septic tank and leaching bed
B	Transition housing as temporary facilities	Septic tank and leaching bed (MCK Keluarga)
C	Existing low/middle income housing	Septic tank and leaching bed
D	Commercial development including housing	Septic tank and leaching bed
E	Existing middle income housing	Septic tank and leaching bed
F	Entirely new high/middle income housing development	Sewerage system with Sewerage treatment plant

2) Urban Drainage

There are three systems which are necessary to protect the urban area from flooding, namely urban flood control system, urban major drainage system and urban minor drainage system. Flood control and urban drainage should be properly integrated, and without proper urban flood control the urban drainage sector cannot be expected to function effectively.

All drainage to be improved in the 6 Case Study Sites of renewal belong to urban minor drainage system. For complete flood control of case study site, development of city-wide urban flood control system is needed. However, in case existing buildings are demolished and new buildings are constructed by urban renewal within the flooding area, the most effective self-sustainable measures against flood would be to fill the land with soil before reconstruction.

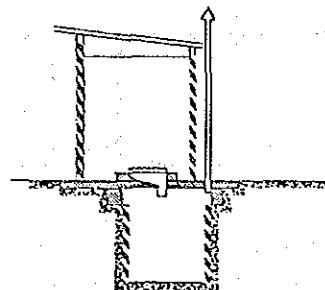
Many of the existing urban minor drainage systems are not functioning at full capacity due to poor maintenance or absence of it all together. Community participation should be focussed on maintenance of the urban minor drainage system. Neatness campaigns should be undertaken by multi-sectors. The most obvious partner for the drainage sector is the solid waste management sector, but such campaigns need support from other urban sectors as well as city official, etc.

The minor detention measures of stormwater which reduce the run-off peak significantly and, thereby, avoid possible downstream flooding are proposed in the strategic plan.

ON-SITE DISPOSAL

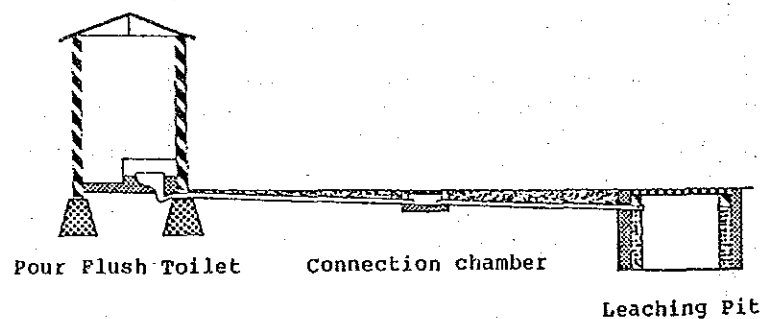
PIT LATRINE SYSTEM

(In areas without water supplies)



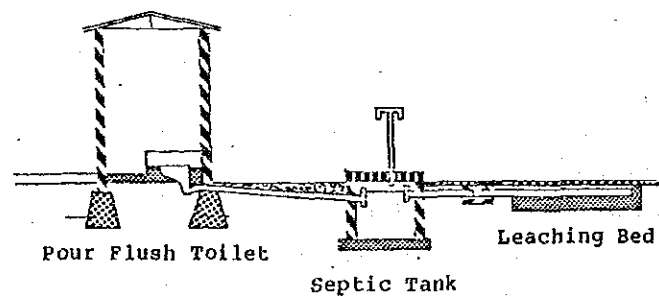
LEACHING PIT SYSTEM

(applied to private house and Jamban Keluarga)



SEPTIC TANK SYSTEM

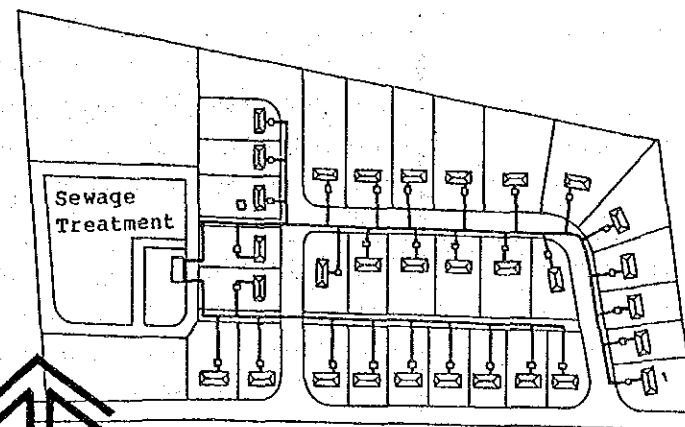
(Applied to private house, MCK Keluarga and Jamban Keluarga)



SEWERAGE

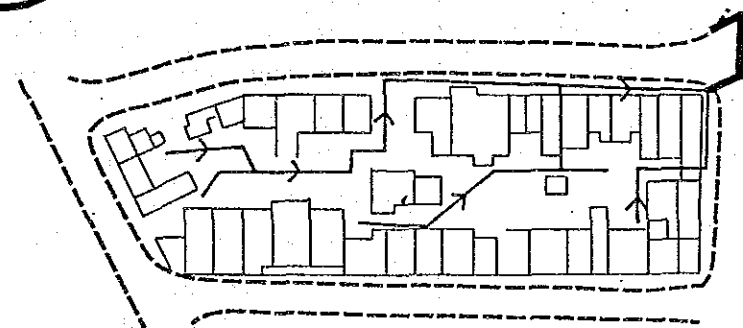
Sewer and sewage treatment are provided

- Sewage treatment stabilisation ponds or aerobic processes
- It is said "small bore sewers" where the sewage from septic tank are collected and treated



OFF-SITE DISPOSAL

Disposal of sewage off-site




The facilities for disposal of sewage off-site are

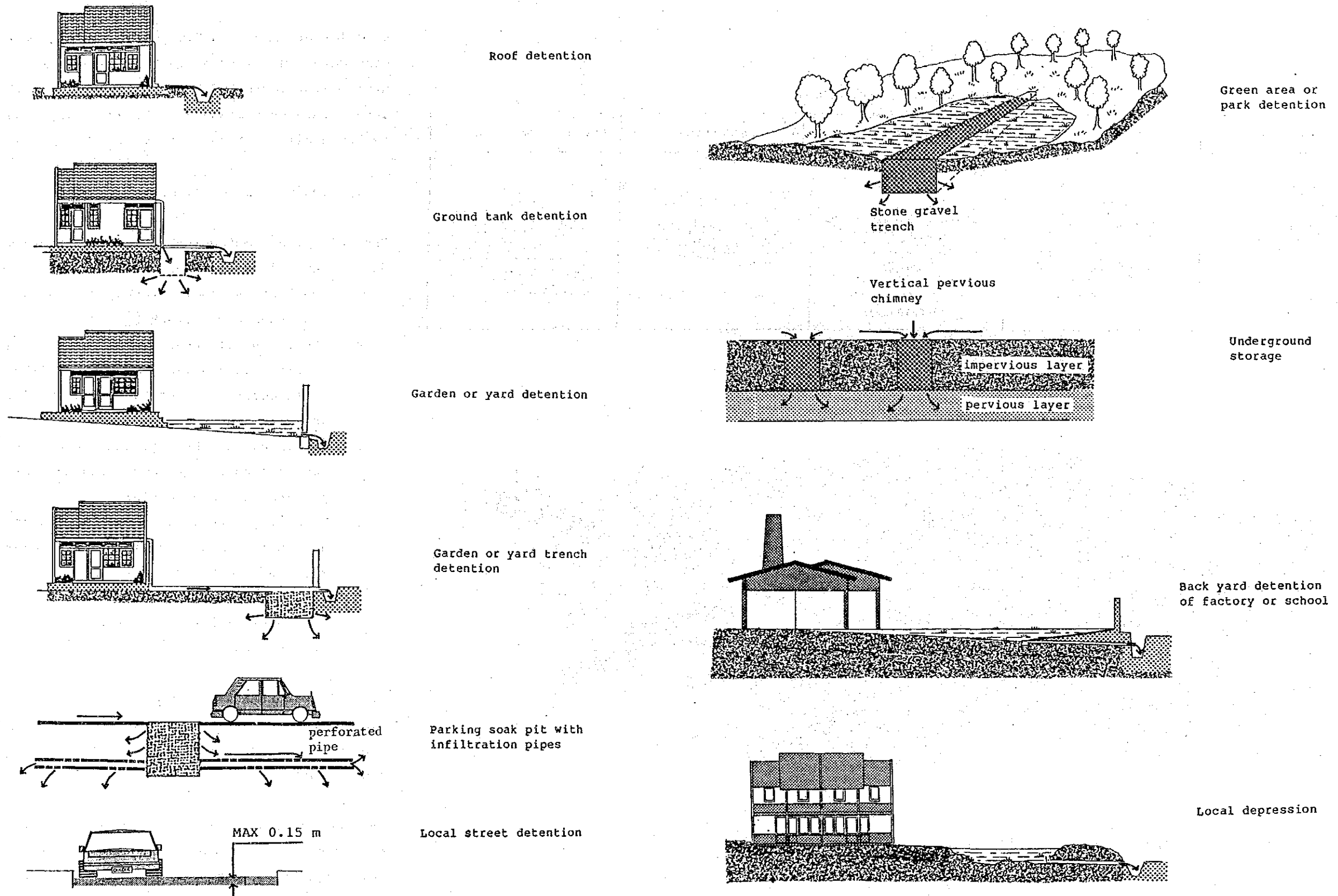
- shallow sewers
- combined sewers using existing drains, and
- interceptor sewers

Fig. 4.14 Process of Improvement of Sanitary Facilities

Table 4.4 Guideline on Selection of Sanitary Facilities

AFFORDABILITY OF COMMUNITY	T Y P E	KIND OF FACILITIES	A P P L I C A N T S	R E M A R K S	GUIDELINE UNIT COSTS FOR SEWERAGE CONSTRUCTION COST PER PERSON AT DECEMBER 1987 PRICES
<p style="text-align: center;">LOW</p>  <p style="text-align: center;">HIGH</p>	On-site Disposal	1. Pit latrines	- Low density kampung area (gross densities generally 100-150 persons/ha) where water is very limited	- In areas without water supplies	
		2. Leaching pit	- Low and medium density kampung area - Low income formal residential areas	- require a water supply for flushing - are less expensive than septic tank/leaching beds	Jamban Keluarga: 40,000 Rp
		3. Septic tank and leaching bed	- Middle/high income residential area - Community toilet facilities (MCK and Jamban Keluarga) in higher density kampung areas where no space for individual on-site facilities - Common disposal facilities for apartment blocks, commercial and institutional buildings	- require a water supply flushing - need to be constructed by a contractor or hired skilled labour - must be located within 50 m of a road sufficient for access by a septage collection vehicle	MCK - Keluarga 60,000 Rp
	Off-site Disposal	4. Shallow sewers	- High density kampung areas in which the majority of properties have piped water and private toilets without suitable on-site disposal - On sites with slopes in excess of 1%	- not yet installed in Indonesia but a pilot project is proposed	Kampung sewerage and connections : 120,000 Rp
		5. Combined sewers using existing drains	- Medium and high density kampungs on sloping sites with well designed drainage channels	- The combined lined drainage channels may be covered with concrete slabs	Improving and covering existing drainage channels : 10,000-50,000 Rp
		6. Interceptor sewers	- Where there are important beneficial uses of the watercourses down stream such as a source for domestic water supplies	- should be selected where pollution in the downstream watercourse cannot be tolerated	Truck sewers only : 150,000 Rp
	Sewerage	7. Small bore sewers	- In medium and high density areas already predominantly served by septic tank systems but where, because of soil and groundwater conditions, leaching is not effective	- not yet installed in Indonesia but a pilot project is proposed	Local sewerage with connections : 100,000 Rp Sewage treatment is as shown below
		8. Sewage Treatment	- In areas of particular environmental sensitivity such as tourist areas - In new middle/high income development areas where installation cost should be locally affordable	- New city wide sewerage system should not be normally considered - Sewage treatment would be stabilisation ponds when large land is available or aerobic processes where land is limited in urban area	Stabilisation pond : 50,000 Rp Activated - processe : 150,000-200,000 Rp * excluding land cost

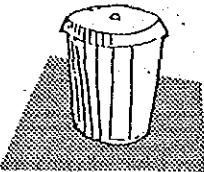
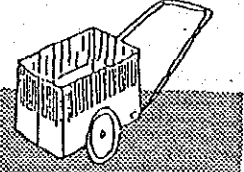
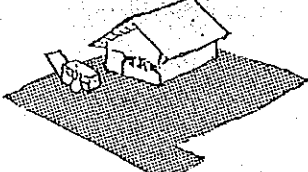
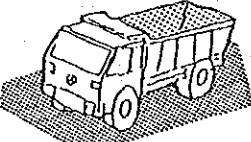
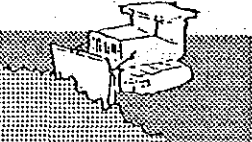
(Source : National strategic plan for the Human Waste and WasteWater Disposal Sub-Section, Cipta Karya - PU)

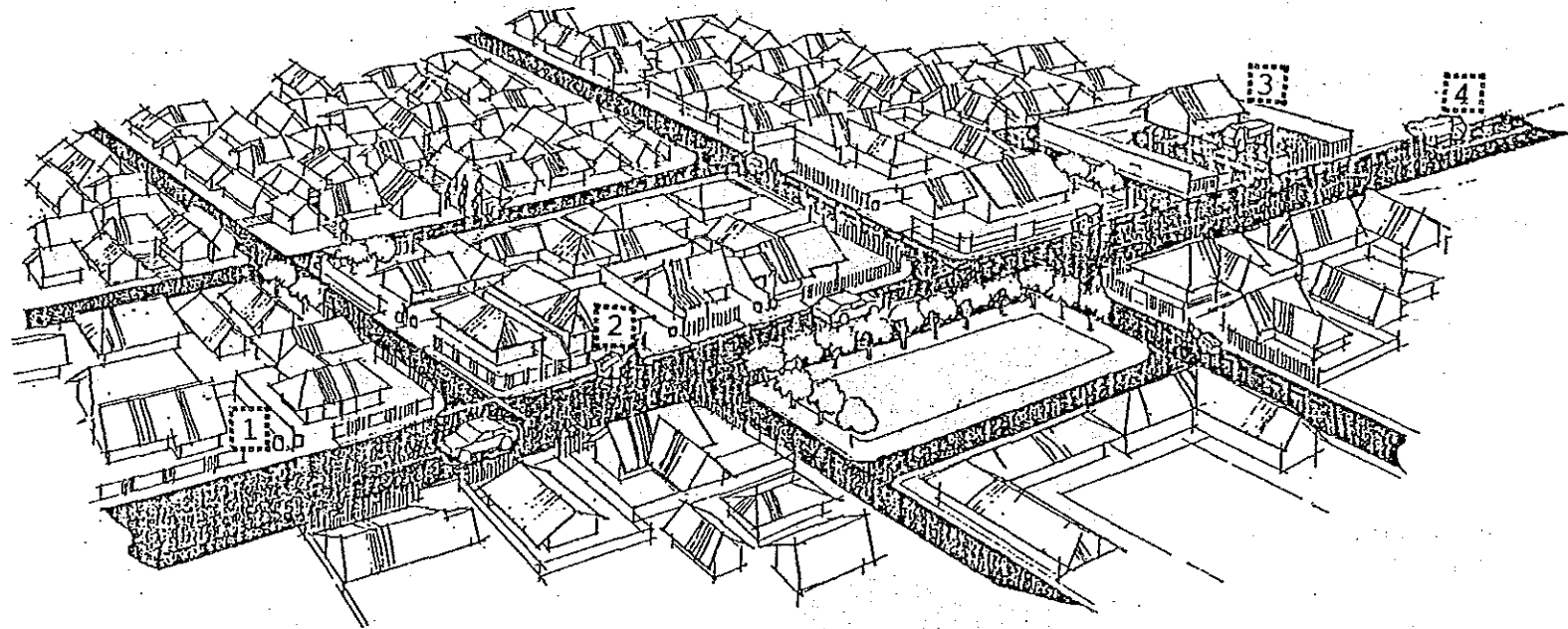


(Source: Preparation of a National Strategic Plan for the Urban Drainage and Urban Flood Protection Sectors)

Fig. 4.15 Minor Detention Measures of Stormwater

COMPONENT OF EQUIPMENT & BUILDING

1	2	3	4	
CONTAINING	COLLECTING	TRANSFERING	TRANSPORTING	LAST DISPOSAL/DISCARDED
				
Bin 40 - 60 lt	Cart 1m3	Transfer station/Depo (200/100 m2)	Dump Truck 8 m3	Bulldozer 70 - 80 Hp



(Source : National Solid Waste Management Strategy, Cipta Karya - PU)

Fig. 4.16 Model System of Solid Waste Management

Examples are shown in Fig. 4.15. These may warrant consideration in Indonesia only in densely populated areas, i.e. metro and large cities, however, to incorporate such measures into existing urban area is often difficult and costly.

3) Solid Waste Management

The solid waste management subsector strategy for development is composed of the following components:

- a. The institutional strategy and human resources development
- b. The technical strategy to improve planning, programming and management capability in local government and to develop appropriate software and hardware
- c. The financial strategy with particular emphasis on cost recovery and mobilization of private sector potential
- d. Community participation to improve operation and maintenance of solid waste management systems, and to increase public contribution in environmental sanitation
- e. Law/Regulation to support improvement of public discipline

Fig. 4.16 shows the model system of solid waste management. Pilot projects are scheduled to be implemented in the small and middle-sized cities all over Indonesia.

In case of Jakarta city, provision of equipment to extend solid waste management services to the 75 kelurahans and technical assistance to improve cost recovery are scheduled in JUDP III with the World Bank finance.

4) Water Supply

The strategic plan and guidelines for water supply subsector are intended to facilitate the process of preparing multi-year investment plans as well as annual investment plans within the framework of the decentralization policy under the IUIDP process.

The process of preparing and implementing water supply works within the IUIDP framework are broken down into the following stages :

- a. Identification stage
- b. Programme preparation stage
- c. Preparation of implementation
- d. Implementation of the physical works
- e. Implementation of Operation & Maintenance and Action Plans

The current study of strategic plan and guidelines made by DAB of Cipta Karya in 1989 focuses on the programming stages, which cover items a) and b) mentioned above and the next stage study will be continued.

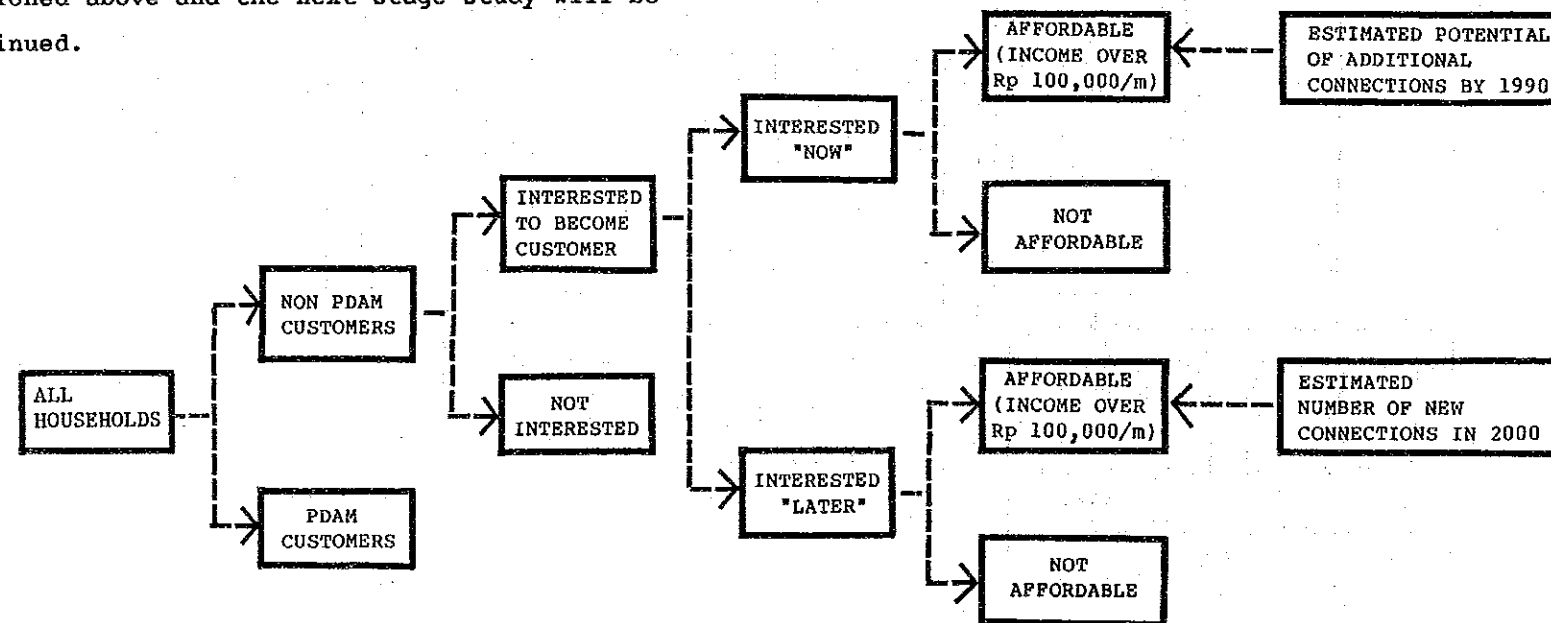


Fig. 4.17 Real Demand of Water in Demand Estimation

When the service level of water supply is set in urban renewal, affordability of inhabitants for house connection, especially those in kampung, shall be carefully considered. Guidelines of affordability of house connections as indicated in the strategic plan are as follows:

- The demand for house connections is based on the expressed desire for a piped supply plus affordability. Unless more specific data is available, the limit for affordability may be taken as a household income of Rp. 100,000 per month. Households with incomes over Rp 100,000 per month who express a desire for a supply "now" are taken to represent the immediate demand; those who indicate they would like a supply "later" are assumed to become customers by the year 2000 as shown in Fig. 4.17.

- The demand for public taps is assessed from people's expressed desire for a supply, their inability to afford a house connection and the lack of more convenient alternative sources.

5.3 Development Procedure

Infrastructure development accompanied with urban renewal is proceeded in accordance with the procedure shown in Fig. 4.18. Permission for development is given to the executing body for renewal from the agencies of Local Government where renewal is executed.

1) Planning Stage

The executing body for renewal submits a block plan and a site plan to Tata Kota DKI for approval. In addition the executing body is required to submit an environmental aspect analysis to Biro Bina Kependudukan dan Lingkungan Hidup (BKLH). In case of small-scale renewal or development an environmental aspect analysis is not required.

2) Design and Construction Stage

Following the approval of Tata Kota DKI and BKLH the executing body is required to coordinate with agencies of each infrastructure sector of Local Government as shown in Fig. 2.3.6 regarding traffic and utility services. Biro Bina Pembangunan Daerah DKI is the coordinating body between the agencies.

Through coordination with such agencies the executing body makes design documents and submits it to them for approval of construction. The designed facilities and services must satisfy the guidelines of each agency.

On the other hand, the executing body submits the detailed renewal plan to PLN for requesting supply of electricity services, and to PERUMTEL for telephone services.

PLN and PERUMTEL will normally provide the adequate facilities in the renewal area at their own costs, and such costs will be covered by an installation fee which is collected from individual users. PERUMTEL will also provide a public telephone free of charge at any place where safety is secured such as near police station, Camat (community head) residence and so on.

3) In case Local Government is Main Body for Renewal

The procedure for renewal is just the same as forementioned even if Local Government is main body for renewal. The biggest difference is that the Local Government budget may be utilized for infrastructure development.

At present in DKI, urban renewal is mainly executed by Sarana Jaya and BAPPEM KIP. The budget of each infrastructure sector is not directly concerned with such urban renewal programmes.

In case DKI becomes main body for renewal, there may be three options in order to allocate DKI budget to the renewal project. The first option can be through Sarana Jaya, the second through each infrastructure sector and the third through a new body set up for renewal.

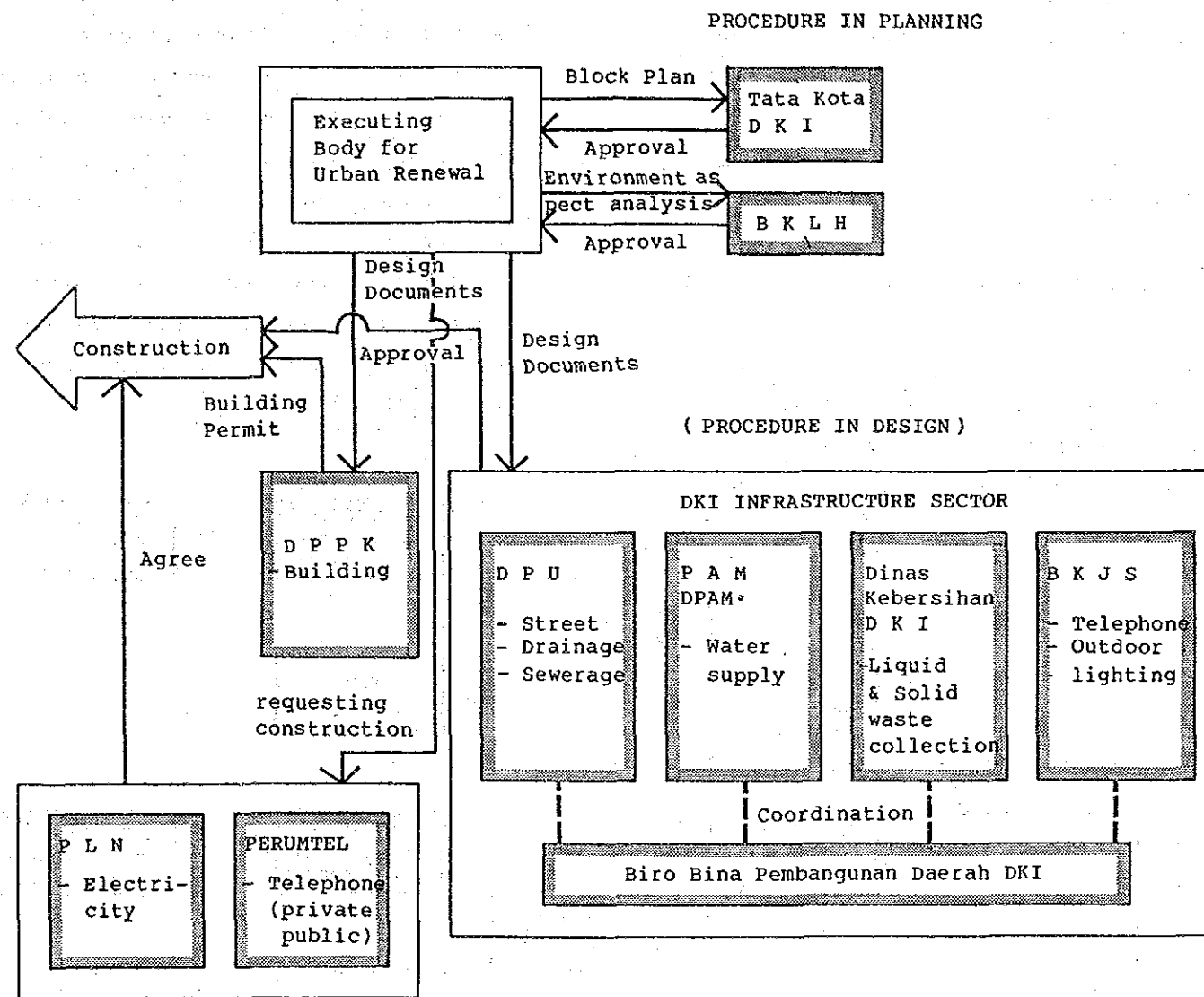


Fig. 4.18 Procedure of Infrastructure Development accompanied with Urban Renewal

CHAPTER V

**RENEWAL PLAN OF EACH CASE STUDY
AND PRIORITY SITE**



SITE A (CASE STUDY SITE)

ADDRESS:
RT 009/0010
RW 09
Kel. Kebon Kosong
Kec. Kemayoran
Jakarta Pusat

SITE AREA : 15,581 m²
POPULATION : 692 p.
NO. OF HOUSES: 76



SITE B (PRIORITY SITE)

ADDRESS:
RT 0014/0015/0016
RW 04
Kel. Kebon Kosong
Kec. Kemayoran
Jakarta Pusat

SITE AREA : 4,581 m²
POPULATION : 736 p.
NO. OF HOUSES: 106



SITE C (CASE STUDY SITE)

ADDRESS:
RT 006/008
RW 01
Kel. Serdang
Kec. Kemayoran
Jakarta Pusat

SITE AREA : 14,121 m²
POPULATION : 536 p.
NO. OF HOUSES: 77



SITE D (PRIORITY SITE)

ADDRESS:
RT 004/005
RW 002
Kel. Gunung Sahari Selatan
Kec. Kemayoran
Jakarta Pusat

SITE AREA : 11,500 m²
POPULATION : 298 p.
NO. OF HOUSES: 43



SITE E (CASE STUDY SITE)

ADDRESS:
RT 0012/0013
RW 003
Kel. Pademangan Timur
Kec. Penjaringan
Jakarta Utara

SITE AREA : 17,676 m²
POPULATION : 513 p.
NO. OF HOUSES: 88



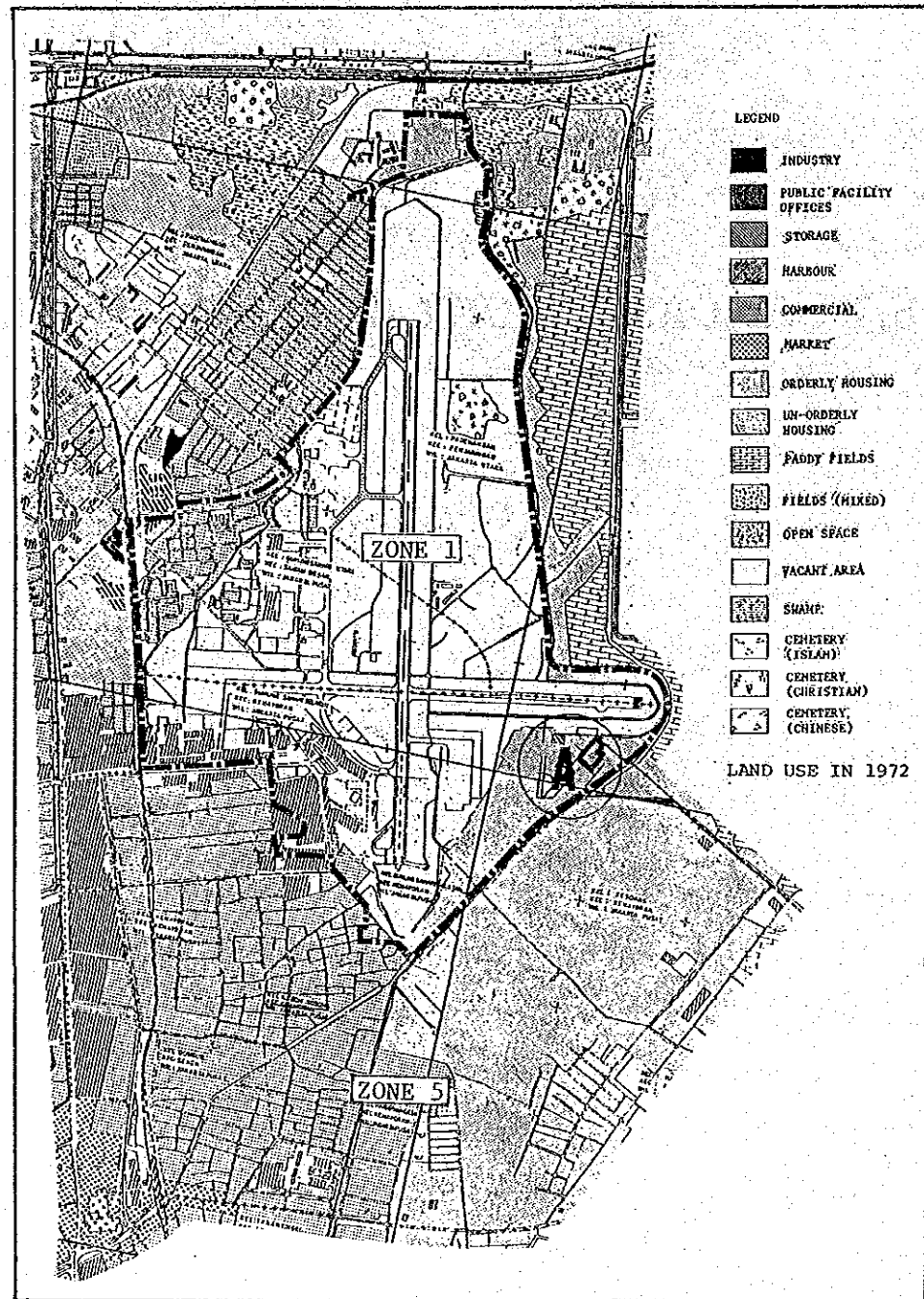
SITE F (CASE STUDY SITE)

ADDRESS:
RT 007/008
RW 05
Kel. Sunter Agung
Kec. Tanjung Priok
Jakarta Utara

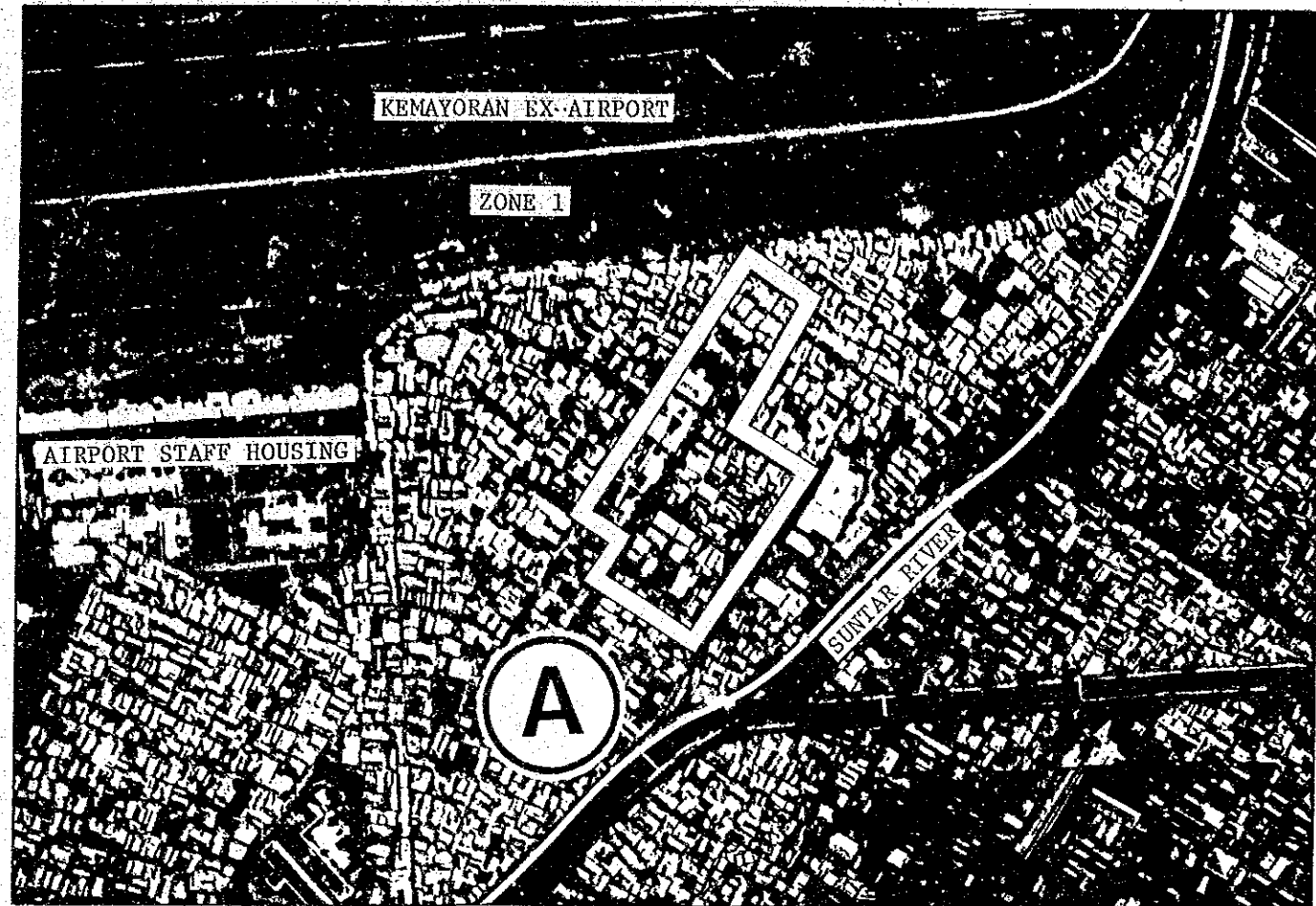
SITE AREA : 9,000 m²
POPULATION : 382 p.
NO. OF HOUSES: 70
PLANNED AREA : 17.85 ha.

1. SITE A (CASE STUDY & PRIORITY SITE)

LOCATION MAP



AEROPHOTOGRAPHY



TYPICAL ATMOSPHERE IN SITE A

1. SITE A (CASE STUDY SITE)

1.1. GENERAL DESCRIPTION

1.1.1 Motivation

Kemayoran Complex Implementation Unit (KCIU/DP3KK) is the responsible executing body for financing and implementing the renewal of Site A and surrounding built-up areas in Zone 4. In other words, KCIU shall implement the renewal of all of Zone 4 including Site A.

As it is described in CHAPTER III, there are two categories of characteristics of land tenure and also renewal scheme. One is represented by Site A and the other is the project of Transitions House.

The renewal of Site A shall be of the "Residential Environment Improvement Model Project" type. The main spatial structure and fairly good buildings will be maintained as they are, and the environment will be improved by providing open spaces, landscaping, etc. Inferior houses will be demolished for providing sites for such open spaces and new houses.

The new houses will accommodate the inhabitants of the houses which are to be demolished as well as inhabitants relocated from where roads and public facilities will be provided as parts of Zone 3 total development.

The Site A plan is a model for the renewal of other areas within the same category. It is preferable that Perumnas will participate in the construction of new housing buildings in order to realize the physical unity of all of Zone 3 on condition that

KCIU finances for the construction are sufficient and will not impose a burden on Perumnas.

1.1.2 Particular Considerations

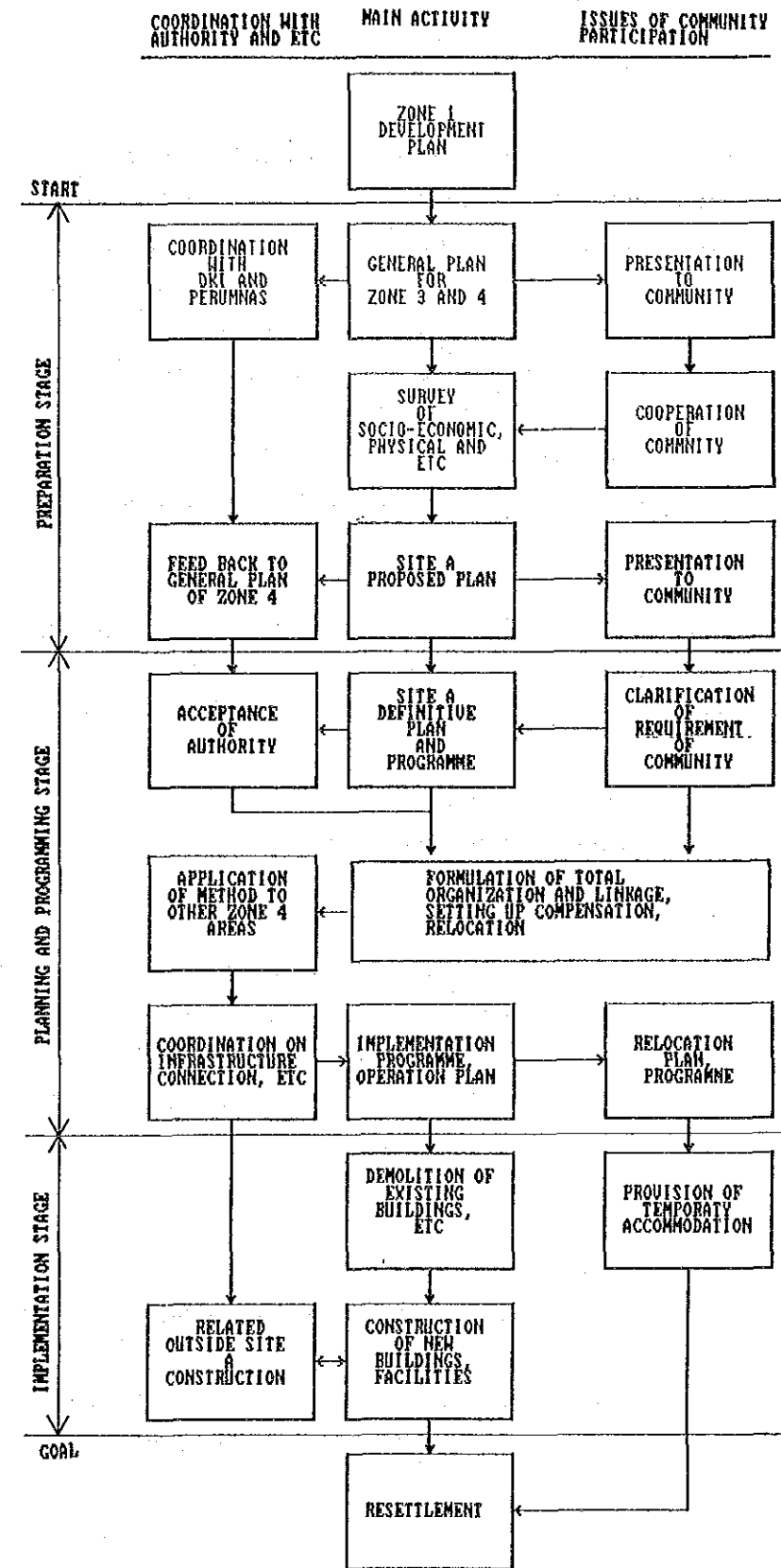
It is essential to conduct a detailed survey and investigation of the built-up area in Zone 4. In particular the situation of inhabitants' land tenure including verpoonding is rather complicated and needs to be clarified.

DKI Jakarta with Non Government Organization (NGO) shall play important roles to assist the executing body KCIU in carrying out the above-mentioned survey especially for properly determining land right status and evaluating the value of properties including land right and house building.

Another essential consideration is that KCIU with NGO shall pay careful attention to the requirement of the community/inhabitants when deciding the demolition of houses and the improvement of environment. KCIU shall provide the community with ample chances and indeed encourage them to express their opinions on provision of open spaces, etc. in order to instal in the community a sense of responsibility for maintaining such open spaces, etc.

This reconstruction of houses and improvement of environment will be exceptionally carried out in comparison with other similar renewal projects in the sense that necessary fund is to be provided by KCIU as a part of the total Zone 1 development cost. Therefore, the implementation shall be an experimental case in terms of integrated operation among KCIU, DKI, NGO and the community. The experience will be a positive lesson for future methodology development of urban housing renewal.

1.1.3 General Activity Flow



1.2 RENEWAL METHOD

1.2.1 Introduction

Some of the considerations formulating the fundamental background of Site A renewal, and its framework are referred to in Chapter III, Section 4.2, RENEWAL STRATEGY regarding existing conditions of Zone 4 and proposed population density of Category A of Sub Zone (3) shown in Chapter III, Section 4.2.3, Category A Renewal. Relevant details of this framework or planning criteria are shown in Chapter V, Section 1.3, PHYSICAL CONDITIONS AND PLANS.

The renewal method of Site A which can be applied to the whole area of Category A, is described from various integrated aspects as listed hereafter.

1) Legislative Framework

2) Institutional Framework

(1) Executing body

This is also referred to in Chapter IV, Section 3.2.7, Executing Body

(2) Roles of bodies relevant to the renewal

(3) Community Participation

This is also referred to in Chapter IV, Section 3.2.3, Community Participation

3) Financial Framework

The financial framework is referred to in Chapter IV, Section 3.3, FINANCIAL FRAMEWORK, and Chapter V, Section 1.6, FINANCIAL STUDY.

4) Procedural Framework

This framework is referred to in Chapter V, Section 1.1.3, General Activity Flow.

1.2.2 Legislative Framework

The following are major legal factors which are necessary for the renewal implementation.

1) Permit of Renewal/Development

Site A renewal is a part of Zone 1 ex-airport development project committed under the Presidential Decree. Principal permission was already given to the executing body. However, basic formulation of urban planning and development shall be concluded under the acceptance of DKI Jakarta Municipality particularly on land use, population density, allocation of neighbourhood facilities including open spaces, infrastructure development, and consideration of urban disaster prevention.

2) Land Acquisition

The executing body shall acquire privately owned or occupied land as stipulated in the laws/regulations concerned with Land Tenure and Compensation. (Refer to Chapter IV, Section 3.1.1, Land Tenure, Section 3.1.2, Compensation, and Section 3.3.2, Compensation Model)

3) Housing

The ownership of new housing building (joint ownership multi-storey houses) being provided in the renewal is on the basis of the Condominium Law shown in Chapter IV, Section 3.1.3, Multi-storey House Law.

KCIU should have joint ownership of every housing unit since approximately 50% of the development cost is shared by KCIU, and further to prevent inhabitants from selling the units and making unreasonable profits.

The building permission shall be obtained in line with the regulation of DKI Jakarta Municipality referred to in Chapter IV, Section 3.1.4, Building Planning, and Section 3.1.5, Urban Planning.

1.2.3 Institutional Framework

The executing body and the most concerned sectors/bodies to the renewal such as central/local government, authorities, agencies, private sectors as well as inhabitants community are described hereafter. The involvement of these bodies is essential to the planning and implementation of the renewal and it shall be arranged by the executing body assisted by others concerned.

1) Executing Body

KCIU under the policy set by KCMB is the executing body for the renewal of Site A.

2) Roles of bodies relevant to Site A Renewal

(1) KCMB: Setting up general policy of Zone 1 development which reflects on Zone 4 renewal.

(2) KCIU: The executing body is responsible for financing, organizing necessary bodies, planning and implementing Site A renewal.

(3) DJCK: Providing recommendations on renewal methodology to KCMB/KCIU.

(4) DKI Jakarta/Walikota: Coordinating, reviewing and approving plan of Site A renewal with respect to land use, population density, building development, allocation of neighbourhood facilities including open spaces, and consideration of urban disaster prevention.

(5) Kelurahan/Lurah Office: Coordinating administrative matters between Walikota and inhabitants through heads of RW and RT.

(6) Team 9: Evaluating rights, properties and value of inhabitants' assets.

(7) NGO: Assisting KCIU, coordinating with Lurah Office, and conducting survey on existing conditions in Site A. NGO shall organize the inhabitants at the RT community unit level and arrange physical and socio-economic surveys on existing conditions in Site A, preferably done by the inhabitants themselves under a self-help operation. In particular, inhabitants' positions regarding land tenure shall be clarified/identified through survey and the legality of these positions shall be confirmed by BPN registration record.

(8) Housing Developer or Contractor: It is probably possible to assign to Perumnas or Sarana Jaya the construction of new houses. BTN shall also be likely involved on finance/house loan for inhabitants. Another possibility would be for the new houses to be built by contractor(s) under the direct management of KCIU assisted by NGO and consultants.

(9) Infrastructure agencies or corporation: See Chapter V, Section 1.4, INFRASTRUCTURE PLAN

3) Community participation

Site A renewal is planned and implemented on the initiative of KCIU as a part of Zone 1 development. Therefore, the inhabitants' participation is rather passive, however, careful consideration should be given to having the inhabitants undertake the following activities guided by NGO. Leadership is to be assumed by an RT Community unit head.

(1) Physical and especially socio-economic surveys.

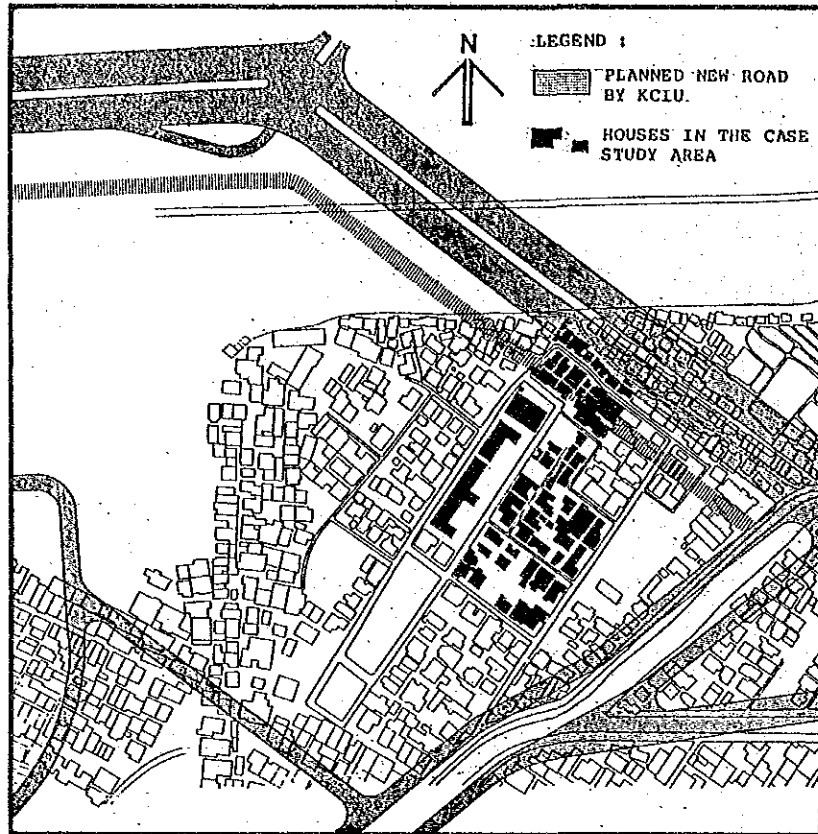
(2) Discussions with the KCIU in the planning course of the renewal on selection of houses to be demolished for the purpose of environmental improvement.

(3) Maintenance of open spaces by the community in addition to those spaces formally maintained by DKI Jakarta Municipality. Landscape elements at open spaces shall be planned and constructed taking into consideration the community's requirements.

1.3 PHYSICAL CONDITIONS AND PLAN

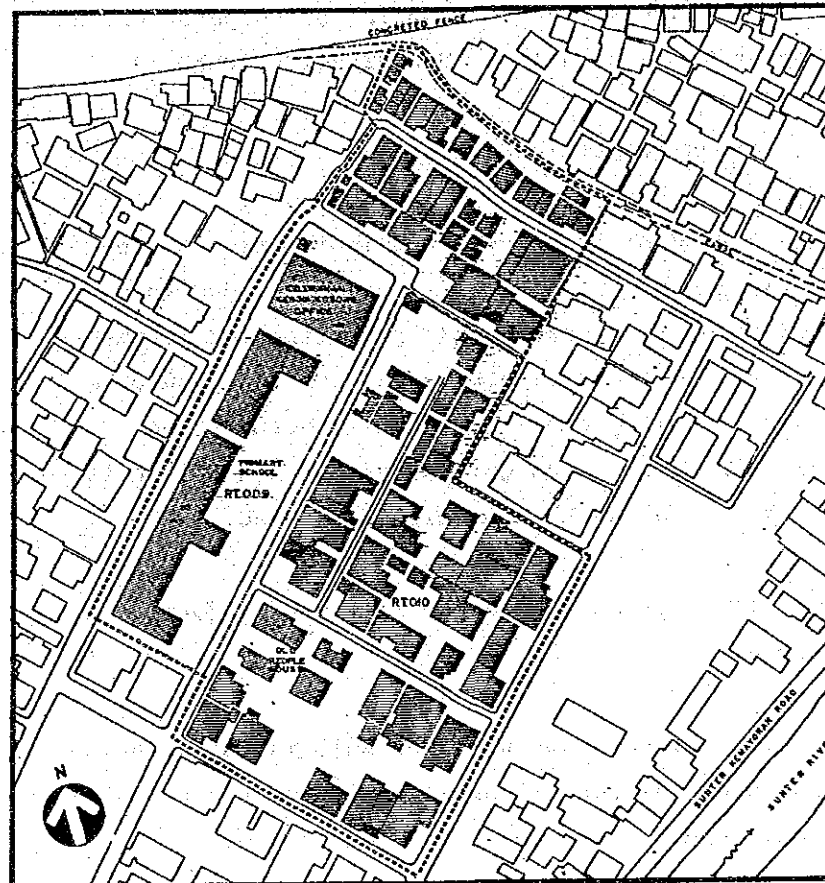
The detailed survey data of Site A, representing similar areas category A in Zone 4 are shown here.

1.3.1 Existing Characteristics



- Site A lies in Kelurahan Kebon Kosong and has a population of 629 persons. It is located within Zone 1 and the northern part of the site will be demolished by the execution of Kemayoran Complex Project. Boundary and land use adjustments are maintained in connection with Perumnas housing development area.
- The site is a typical Kampung located mostly in Tanah Garapan/Hak Milik inhabited by relatively lower income group. The KIP program has been undertaken during Repelita III.
- Flood control and sanitary improvement measures are required especially in the northern part of the spot.

1.3.2 Building Use



- HOUSING
- PRIMARY SCHOOL
- JUNIOR HIGH SCHOOL
- SENIOR HIGH SCHOOL
- STALL
- KELURAHAN OFFICE
- WORK SHOP
- RETAIL STORE
- INFORMAL SECTOR
- MUSHOLA
- MOSQUE
- CHURCH

The major land use of the site is residential with a number of commercial facilities serving as the local center, while neighbourhood facilities are very few.

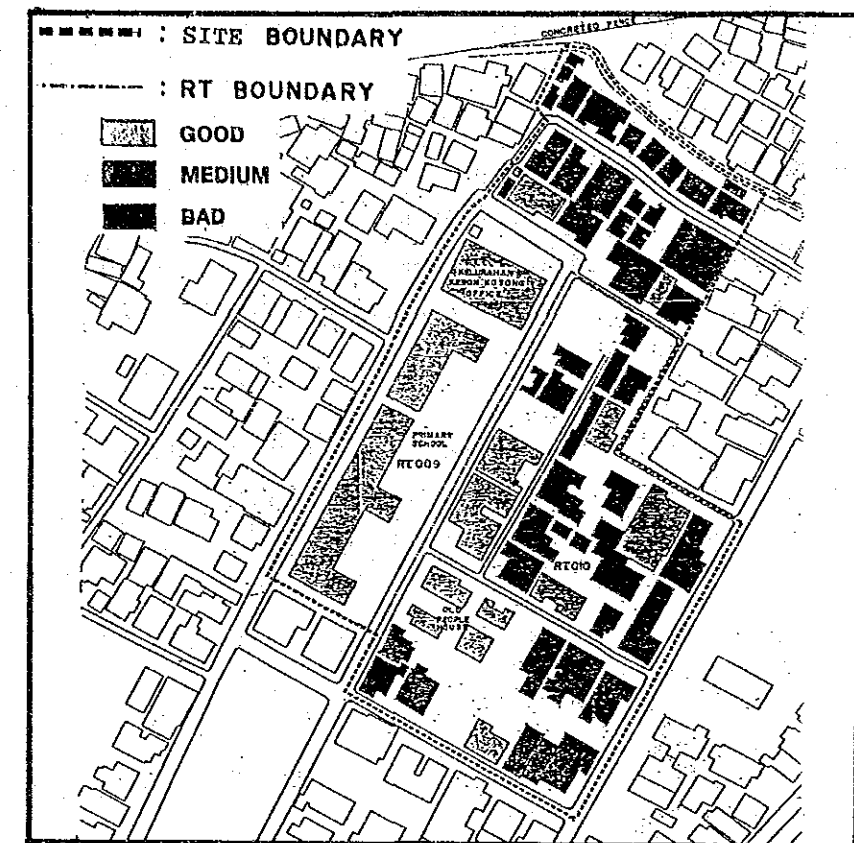
Land Use/Price/Ownership

- High ratio of land use for public facilities (28%)
- Land price is relatively high (66,000 - 82,000 Rp/sqm)

Others

- Very low household income (average; 101,000 Rp/month)

1.3.3 Building Conditions



- Land area : 15,581 m²
- Net residential land area : 5,619 m²
- Average land area : 73.95 m²/house
- Average building area : 48.20 m²/house
- Average building storey : 1.1 Fl/house
- Average No. of family members: 5.4 P/house, 4.6 P/h.h.
- Average No. of Households : 1.46 h.h./house

Buildings

- About 25% of the buildings have permanent structure, while the remaining are semi-permanent.
- 20% of the houses are very old (more than 20 years old).
- 35% of the houses are for rent.

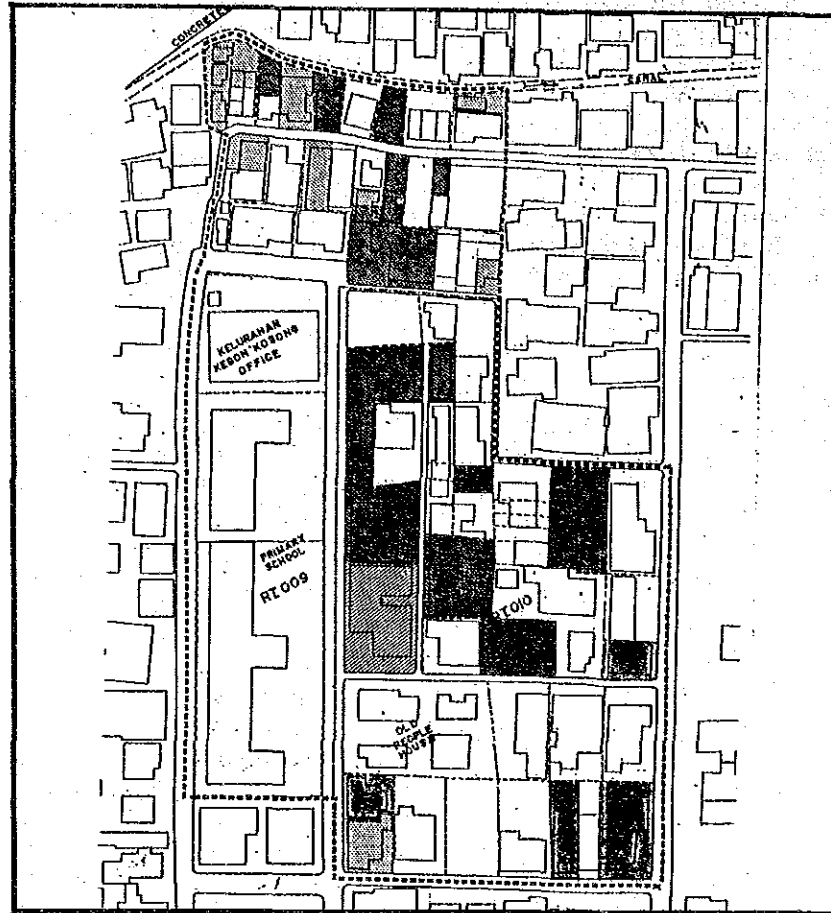
1.3.4 Present Situation of Residential Environment

SITE NO.	SITE A
LOCATION	KC. Kemayoran/JP Kebon Kosong
NAME	RW09 RT009/0010
PRESENT LAND USE (incl. surroundings)	Residential
DKI MASTER PLAN	Kemayoran Complex
SPATIAL RELATION TO KEMAYORAN COMPLEX PROJECT	Within the Zone 4
AREA OF THE SITE (sq.m)	15,581.00
NO. OF POPULATION (persons)	692.00
NO. OF HOUSEHOLD (households)	111.00
NO. OF HOUSES (houses)	76.00
AVERAGE LAND PRICE OF HOUSING LOT (Rp./sq.m.)	66,000 - 82,000
AVERAGE HOUSEHOLD INCOME (Rp./month)	101,000

	NUMBER	(%)
1. BUILDINGS		
A) BUILDINGS STRUCTURE (no. of houses)	75.00	100.00
a) Temporary	0.00	0.00
b) Semi-permanent	41.00	54.67
c) Permanent	34.00	45.33
B) BUILDING AGE (no. of houses)	75.00	100.00
a) 20 Years & More	15.00	20.00
b) 15 - 19 years	12.00	16.00
c) 14 Years & Less	48.00	64.00
C) BUILDING OWNERSHIP (no. of houses)	75.00	100.00
a) Yearly Contract/Rent	27.00	36.00
b) Others (Stay with the Owner/Company's House, etc.)	9.00	12.00
c) Own House	39.00	52.00
2. DENSITIES		
a) Population Density (persons/site area:ha)	444.00	
b) Household Density (floor area:sq.m./person)	5.22	
c) Building Density (no. of houses/ha)	48.14	
3. OPEN SPACES/PUBLIC FACILITIES		
A) PUBLIC FACILITIES		
a) Open spaces (e.g. play ground, park, etc.)	None	
b) Education (e.g. Kindergarten, primary school, junior high school etc.)	Primary School	
c) Medical	None	
d) Religious (e.g. mosque, church etc.)	None	
e) Cultural/Welfare	Oldman House	
f) Governmental	Kelurahan Office	
g) Shops	None	

B) FLOOR RATIO		
a) Building Floor (total housing floor area:sq.m.)	3,615.00	
b) Lot Area (total housing lot area:sq.m.)	5,572.00	
c) Residential Used Area (sq.m.)	8,152.00	
d) Floor Area Ratio-1 (a/b:%)	0.65	
e) Floor Area Ratio-2 (a/c:%)	0.44	
f) No. of Stories	1.06	
g) Building Coverage Ratio (d/e:%)	0.61	
4. SERVICE ROAD (no. of houses)	71.00	1.00
a) Facing to 1.5 m & Less (only for beca)	25.00	0.35
b) 2.0 m - 3.0 m (only for one way vehicle)	33.00	0.46
c) 4.5 m & More	13.00	0.18
5. INFRASTRUCTURE		
A) WATER SUPPLY (for drinking water from;)	76.00	100.00
a) Water Seller/Wells	73.00	96.05
b) Water Supply Agency	3.00	3.95
B) WASTE DISPOSAL	76.00	100.00
a) River/Others	20.00	26.32
b) Septic Tanks	55.00	72.37
c) Town Drainage	1.00	1.32
C) FLOOD OCCURRENCE	Frequent	
6. LAND USE (sq.m.)	15,581.00	100.00
a) Residential	8,151.98	52.32
b) Commercial	23.37	0.15
c) Roads	2,189.13	14.05
d) Public Facilities	4,367.35	28.03
e) others	849.16	5.45
7. LAND PRICE (Rp./sq.m.)	76.00	100.00
a) 66,000 Rp. & Less	0.00	0.00
b) 66,000 - 129,000	76.00	100.00
c) 129,000 Rp. & More	0.00	0.00
8. LAND OWNERSHIP	76.00	100.00
a) Tanah Garapan	16.00	21.05
b) Hak Pakai	0.00	0.00
c) Hak Guna Bagunan	4.00	5.26
d) Hal Milik	20.00	26.31
e) Tanah Negara	2.00	2.63
f) Tidak Jelas	34.00	44.75
9. HOUSEHOLD INCOME (Rp./household)	76.00	100.00
a) 100,000 Rp. & Less	52.00	68.42
b) 100,001 - 300,000 Rp.	22.00	28.95
c) 300,001 & More	2.00	2.63
10. AGE OF COMMUNITY	76.00	100.00
a) More than 10 Years	30.00	39.47
b) 4 - 10 Years	18.00	23.68
c) Less than 3 Years	28.00	36.84

1.3.5 Land Status

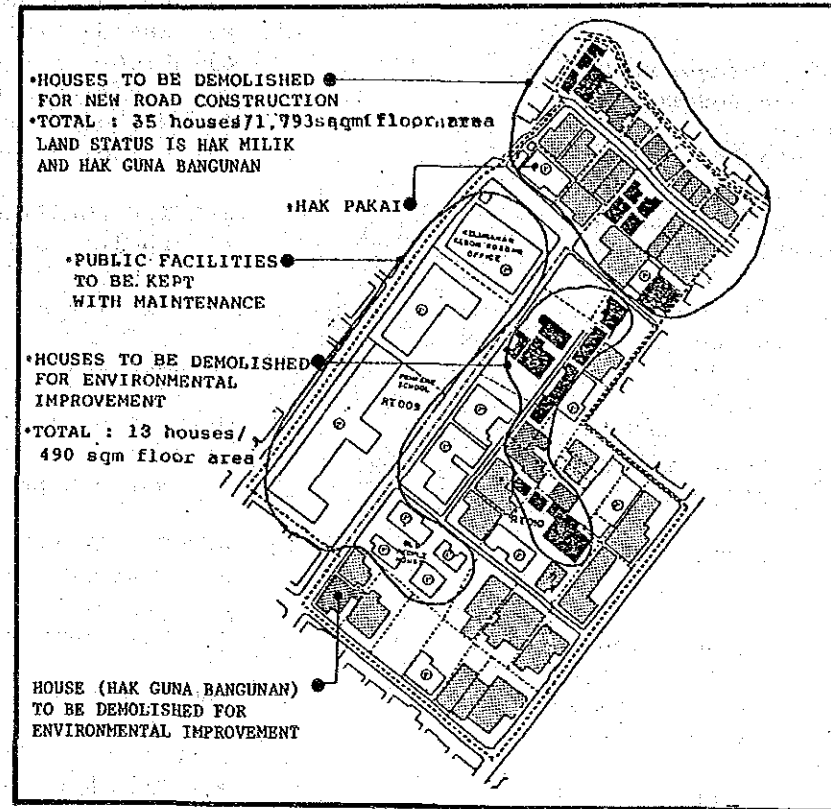


LEGEND

-----	BOUNDARY OF CASE STUDY AREA		HAK MILIK
-----	BOUNDARY OF RT		HAK GUNA BANGUNAN
			TANAH NEGARA
			TANAH GARAPAN
			UNKNOWN

	NUMBER	(%)
● LAND OWNERSHIP	76.00	100.00
a) Tanah Garapan	16.00	21.05
b) Hak Pakai	0.00	0.00
c) Hak Guna Bangunan	4.00	5.26
d) Hak Milik	20.00	26.31
e) Tanah Negara	2.00	2.63
f) Tidak Jelas	34.00	44.75
● LAND PRICE (Rp./sq.m.)	76.00	100.00
a) 66,000 Rp. & Less	0.00	0.00
b) 66,00 - 129,000	76.00	100.00
c) 129,000 Rp. & More	0.00	0.00

1.3.6 Analysis for Renewal



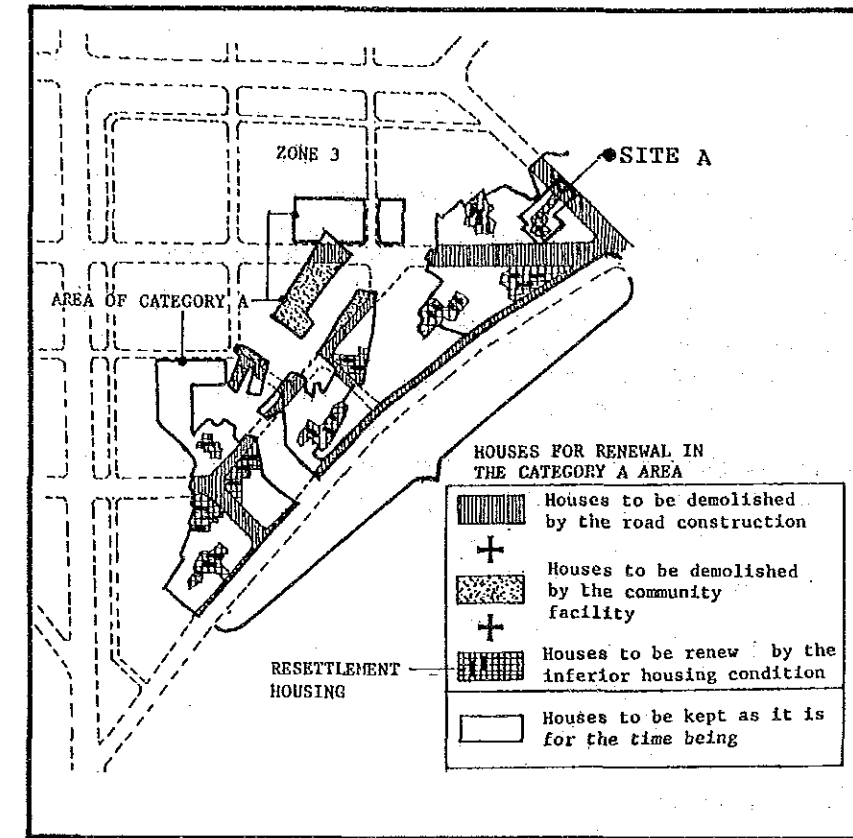
LEGEND

BUILDING AGE	BUILDING STRUCTURE		
	TEMPORARY	SEMI-PERMANENT	PERMANENT
LESS THAN 14 YEARS			
BETWEEN 14-19 YEARS			
MORE THAN 20 YEARS			
	(T)	(S)	(P)

Densities/Floor Ratio

- mid to high population density ; 444 persons/ha. net)
- high floor density ; 5.22 sqm/person
- average building density ; 68 houses/ha.
- FAR ; 65%
- BCR ; 61%

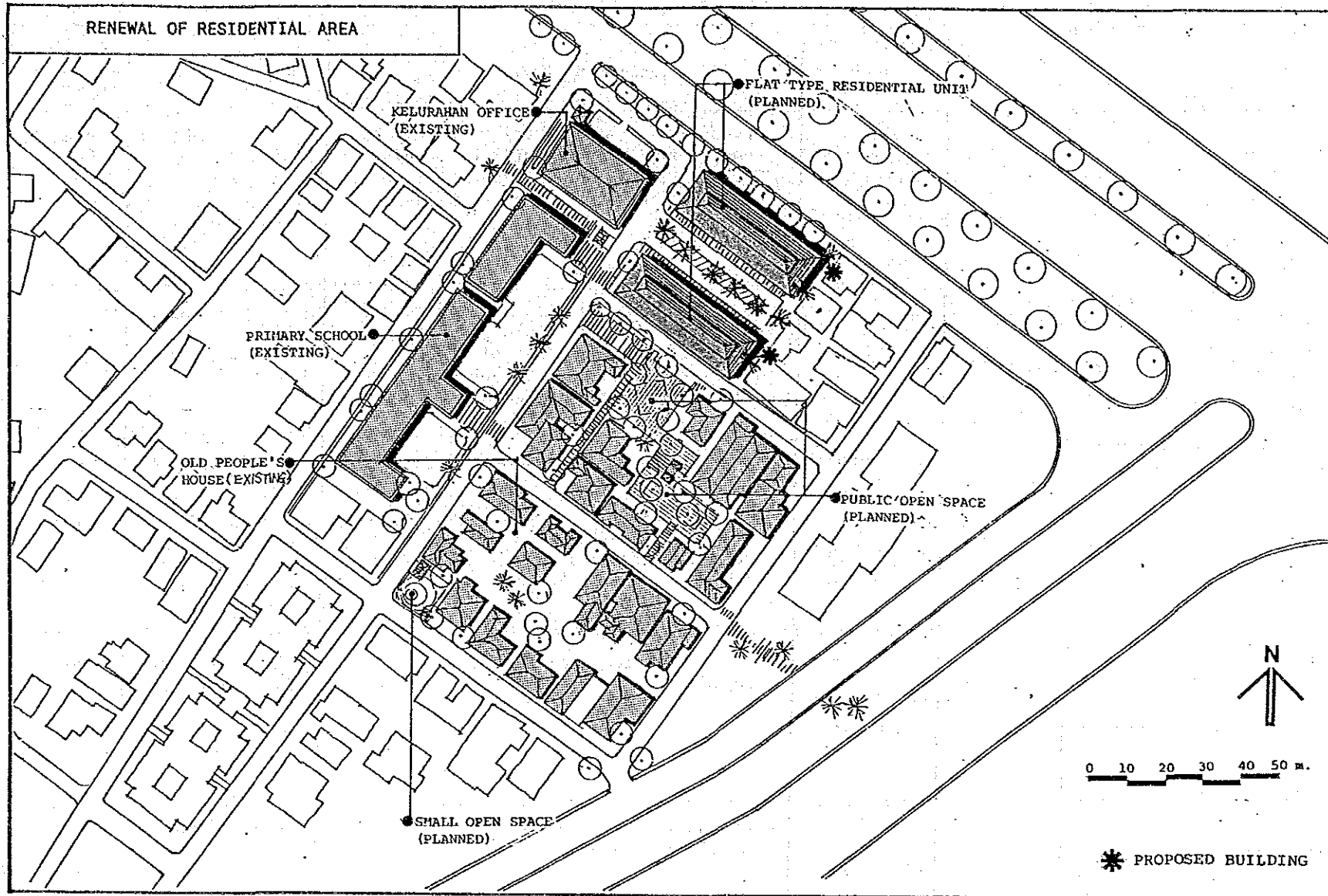
1.3.7 Renewal Concept



Recommendable Environmental Guidelines

- Land Use : Residential/Multi storied flat type housing area for mid. and low income group with commercial use
- Population Density : 650 - 750 p/ha. (average of Zone 3 area)
- Building Height : Max. 8 Storey
- Building Coverage Ratio : Max. 60%
- Floor Area Ratio : Max. 300%
- Setback/Front /Perimeter : 10 m (along big road) ; 2 m

1.3.8 Renewal Plan



RENEWAL COMPONENT

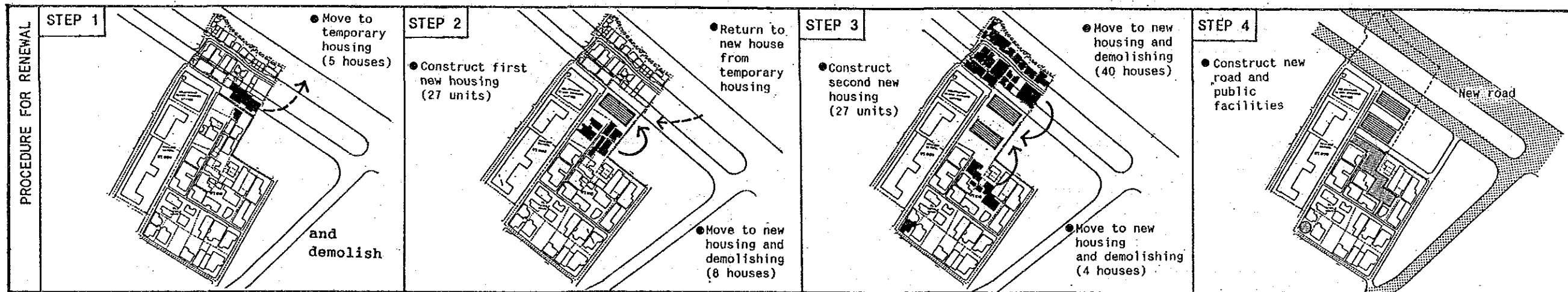
1. Development Area
 - a) Whole case study site: 15,581 m²
 - b) Renewal area : 6,630 m²
 - c) After renewal : 12,000 m²
2. Residential Development
 - a) Flat type permanent housing for resettler in Zone 4 (House for selling)
 - b) Housing F-18 x 56 units
F-36 x 26 units
Total 82 units
 - c) Number of storey : 4 storey
3. Neighbourhood Facility
 - a) Public opens space : 1,000 m²
4. Population Density
 - a) Existing : 444 P/ha.
 - b) Planned : 82 units x 4.95 P/h*
(average of Category A)
= 406 P
Ordinal house:
19 h x 4.95 = 94 P
Total 500 P
500 P - 1.2 ha
= 416 P/ha.
(for the time being)

5. Renewal Scheme

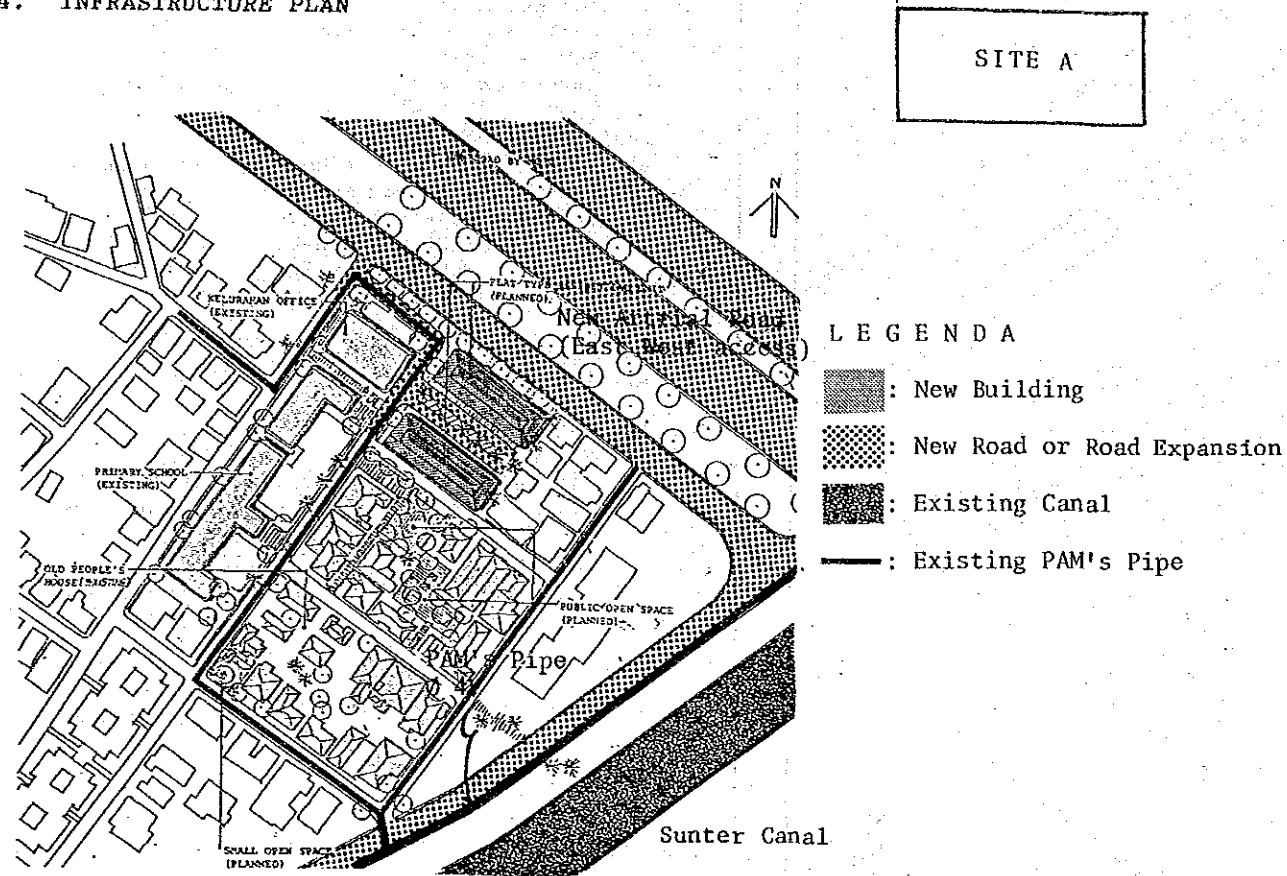
Residential	Whole For		For		Total
	Site	Preserve	Demoli-	New	
No. of House	76	19	57	82	101
No. of House-hold	111	28	83	118	146
Bldg. Area (m ²)	3,663	1,410	2,353	2,330	3,740
Population	692	94	260	406	500

Note:

*: Number of household is calculated by the Category A group in Zone 4 (Refer to Chapter IV-4.2.) which different to actual survey data of Site A.



1.4. INFRASTRUCTURE PLAN



PLANNING ELEMENTS	
Existing Condition of Infrastructure	<ul style="list-style-type: none"> - Flood occurs due to low ground. - Public hydrant exists, but PAM's house connection services are not yet implemented. - A dozen small houses located on the planned new arterial road do not have toilet facilities.
Main objectives of Improvement	<ul style="list-style-type: none"> - Flood protection measures are needed. - Sanitary facilities and piped water are provided. - Access for fire engine is provided.
Planned Population and Water Demand	<ul style="list-style-type: none"> - Number of New Houses : 54 units - Population : 54 units x 5.4 prs/unit = 292 prs - Water Demand : 292 prs x 160 l/prs = 47 m³/day

Components of Infrastructure	Improvement Plan	Remark	Agencies to be Coordinated
Street & Footpath	<ul style="list-style-type: none"> - Access from new arterial road to renewal housing area will be provided. - Streets within renewal area will be expanded for enabling fire engine entrance. 	New arterial road (East-West Access) within Zone 1 will be constructed by KCIU.	* Tatakota DKI * DPU
Drainage	<ul style="list-style-type: none"> - Low ground area will be filled before reconstruction for flood prevention. - For complete flood control of this district Sunter West Polder and Pademangan Polder are needed. 	Drainage channel will be constructed by KCIU	* DPU
Water Supply	<ul style="list-style-type: none"> - PAM's pipes are located within the renewal area, so house connection will be done to the houses which afford to pay installation fee and consumption charge. 	Inhabitants pay installation fee and consumption charge when house connection is executed.	* PDAM Pusat
Waste Water Disposal	<ul style="list-style-type: none"> - Septic tank/leaching bed will be provided. 	Local community will maintain it.	* DPU
Solid Waste Management	<ul style="list-style-type: none"> - Communal container will be provided by KCIU 	Local community will maintain equipments.	* Sub - Dinas Kebersihan Pusat
Electricity	<ul style="list-style-type: none"> - PLN will supply electricity services. - Outdoor lighting will be provided by KCIU and maintained by local community 	Inhabitants pay installation fee and consumption charge.	* PLN * BKJS
Telephone	<ul style="list-style-type: none"> - Public telephone will be provided by PERUMTEL where safety is secured. 	Charge is paid by user.	* PERUMTEL * BKJS

1.5 Condition of Project Cost

1) Demolition

- This cost includes demolition of super structure and infrastructure above and below ground level.
- The demolition cost for super structure is according to structure type such as 1) permanent & semi-permanent, 2) ordinary, and 3) temporary structure.
- Cost for small structure and trees is neglected in this estimation, but in case of implementation these costs should be included in the compensation amount, especially productive trees and well etc.

2) Land development

This cost includes;

- Grading cost in the project site including land fill (assumed average 30 cm) to protect houses from flood and cost for drainage channel construction.
- Installation cost for utility services from the city line to the facility, (water supply, elec. supply)
- Cost for road construction and parking pavement.
- External work in the project site such as pedestrian path, planting, outdoor lighting, outdoor furniture, sign boards and marking, etc.

3) Housing

Specifics for the flat are;

- Structure system : Rigid frame reinforced concrete
- Roof : Wooden frame with asbestos corrugated sheets
- External wall : Concrete block with mortar joint
- Internal wall : Concrete block with mortar joint
- Ceiling : 1-3F/Concrete slab 4F/Nil
- Floor : Cement sand rendering troweled finish
- Opening : Window-Aluminum frame jalousie window
Door-Plywood flash door with wooden frame
- Utility : Electricity supply, gas supply piping and water supply for each unit

4) Temporary house

This cost includes rental cost for inhabitants who will be moved from houses to be demolished and until they are relocated to newly constructed houses.

5) Study and design

The cost is assumed to be 5 percent of total amount of items 1) to 4).

6) Administration

The cost is assumed as 4 percent of total amount of items 1) to 5) and covers preconstruction and construction stages including application costs for changing land title;

In case of

Hak Pengelolaan (HPL) Rp. 150/m² of land,
Hak Guna Bangunang (HGB) Rp. 400/m² of land.

7) Contingency

The cost is assumed as 4 percent of total amount of above items and includes physical contingency but does not cover cost escalation.

8) Estimated costs are as of March, 1989.

Construction Cost

Item	Unit	Quantity	Unit Price (Rp)	Amount (Rp x 1,000)
1. Housing Development				
1.1 Demolition				
a. Permanent & semi-permanent structure	m ²	351	5,000	1,755
1.2 Land development	m ²	1,850	10,000	18,500
1.3 Housing				
a. F-18 56 units	m ²	1,008	240,000	241,920
b. F-36 26 units	m ²	936	240,000	224,640
Sub Total				486,815
2. Environmental Development				
2.1 Demolition				
a. Permanent & Semi-permanent structure	m ²	395	5,000	1,975
2.2 Site preparation and landscaping	m ²	1,200	8,000	9,600
Sub Total				11,575
Total				498,390
(Rp x 1,000)				
3. Temporary House	:	5 houses x @2,000/day x 180 days =		1,800
4. Study and Design	:	500,190 x 0.05	=	25,000
5. Administration	:	525,190 x 0.04	=	21,000
6. Contingency	:	546,190 x 0.04	=	21,850
Total				69,650
Grand Total				568,040

1.6 FINANCIAL STUDY

1) Work Flow

Financial study flow of Site A is in Fig. 4.1.4. The major executing body for Site A development will be KCIU. The project includes housing construction and public space preparation. KCIU will cover the cost of the project.

2) Planning Conditions and Assumptions

(1) Cost Items

The total project cost of Site A includes the following:

- Demolition cost for area clearance
- Housing construction cost
- Site preparation and Landscaping
- Temporary Shops and House
- Infrastructure preparation cost and other related cost.

The new construction of a total of 82 flat type houses, 56 x F-18 and 26 x F-36, requires Rp. 859.4 million.

(2) Compensation

Total 59 households are currently living at the project site. The compensation for those buildings is Rp. 180.6 million and Rp. 99.5 million for the land. Total compensation becomes Rp. 291.3 million together with honorarium.

According to affordability analysis, 54 households out of 59 will resettle to new flat housing. Therefore Rp. 24.7 million of compensation for five households is the actual amount an executing body has to prepare at the time of relocation of houses.

3) Revenue

The Site A project is a part of the Kemayoran ex-airport development project. No revenue is expected from the project. The flat houses are distributed to resettlers in exchange for compensation payment and loan.

(1) Maximum amount of own capital

Resettler's average monthly income is around Rp. 95,000 per family. If a quarter of monthly income, in this case Rp. 24,800, is the maximum expenditure for housing, Rp. 2,133,000 will be the maximum capital to be lent under 20 years with 12% of interest.

(2) Subsidy

The sources of fund of site A project will be resettlers' capital from compensation and borrowed money and subsidy. Executing body must prepare the fund to bridge the difference between project cost and resettlers' own capital.

4) Results

The unit floor price of this housing becomes Rp. 292,000/m² without paying compensation to resettlers. Resettlers can receive this unit price valued flat by paying maximum amount of loan which inhabitant can borrow according to their income loan. There is a deficit of Rp. 477.6 million for this project. The executing body will support the deficit as subsidy to low income people.

Fig. 5.1 Site A Financial Study Work Flow

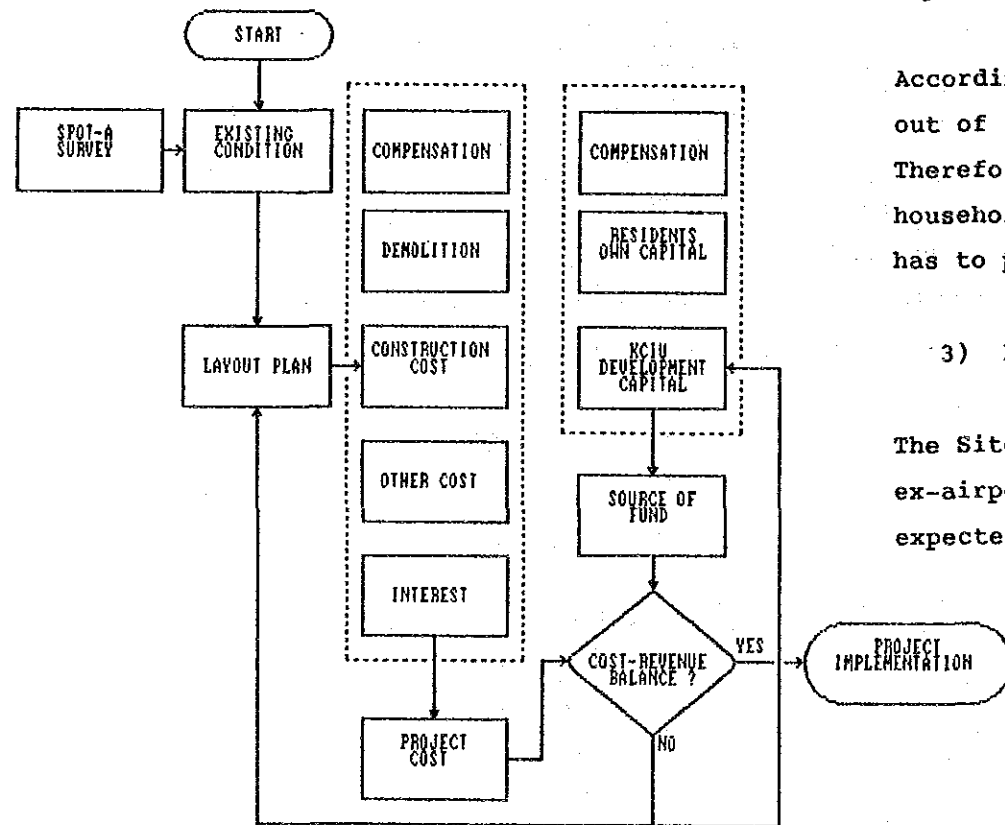
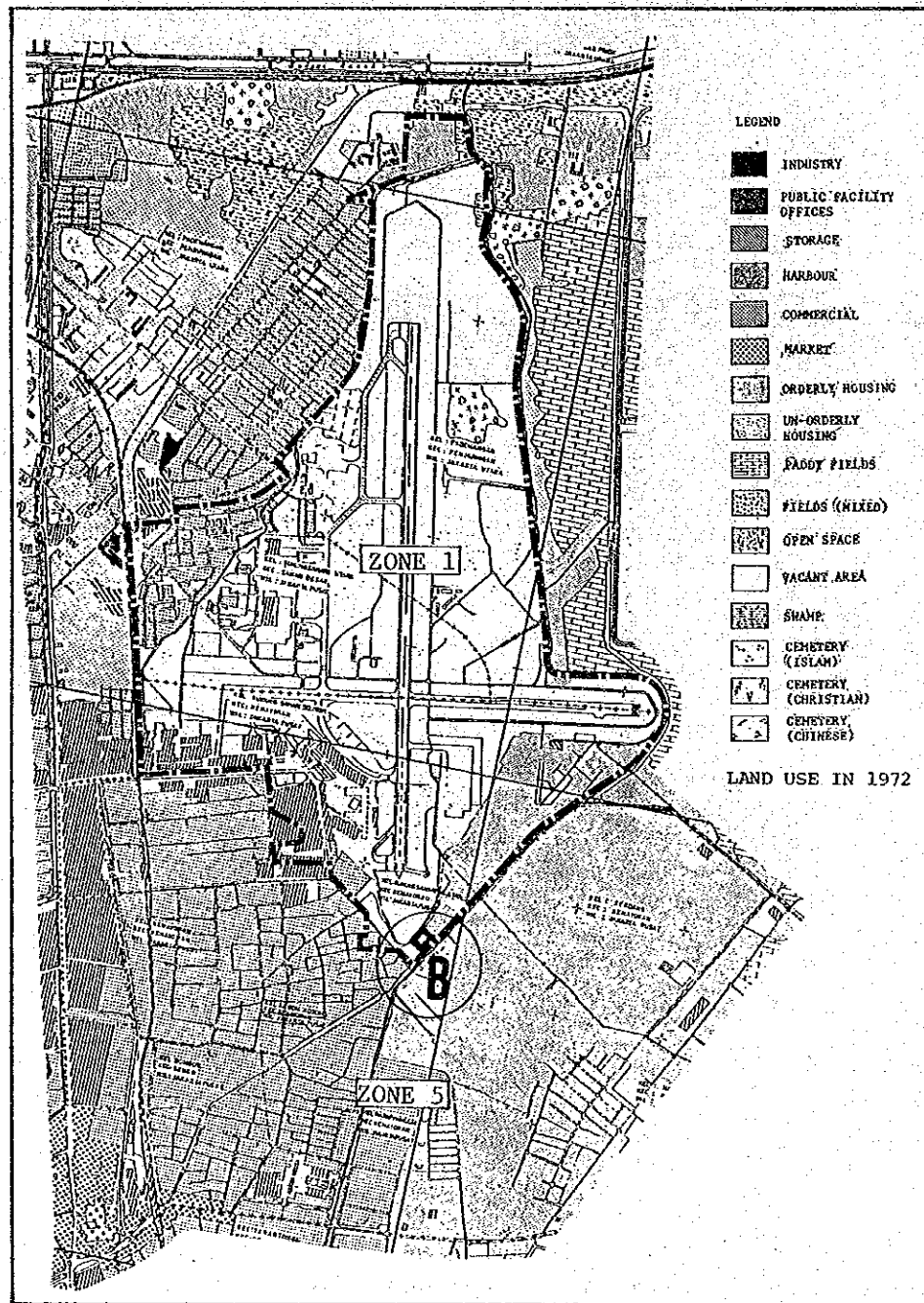


Table 5.1 Project Cost and Source of Fund

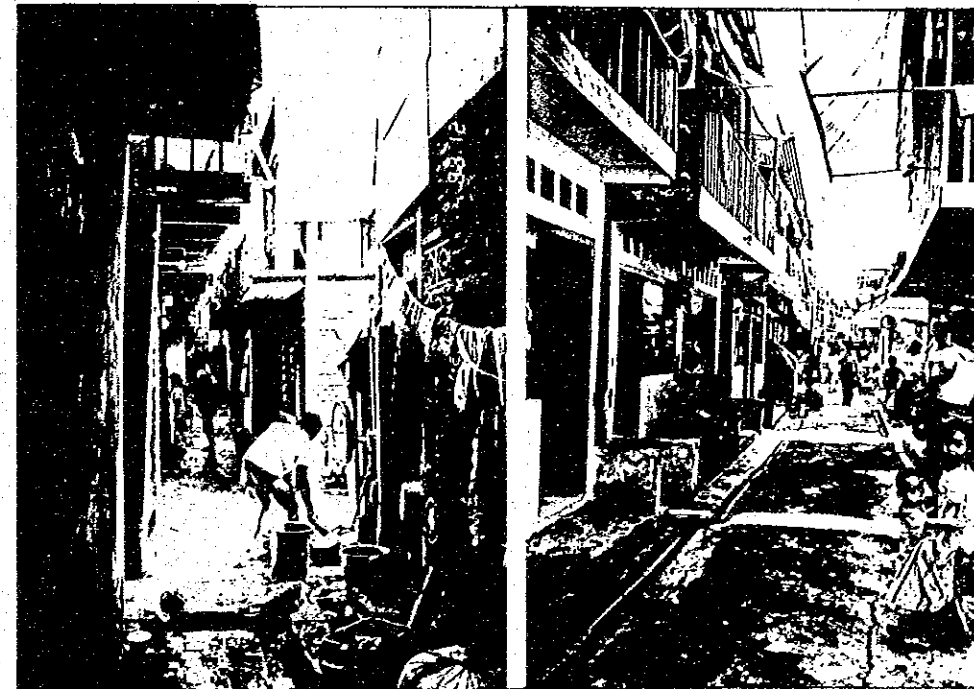
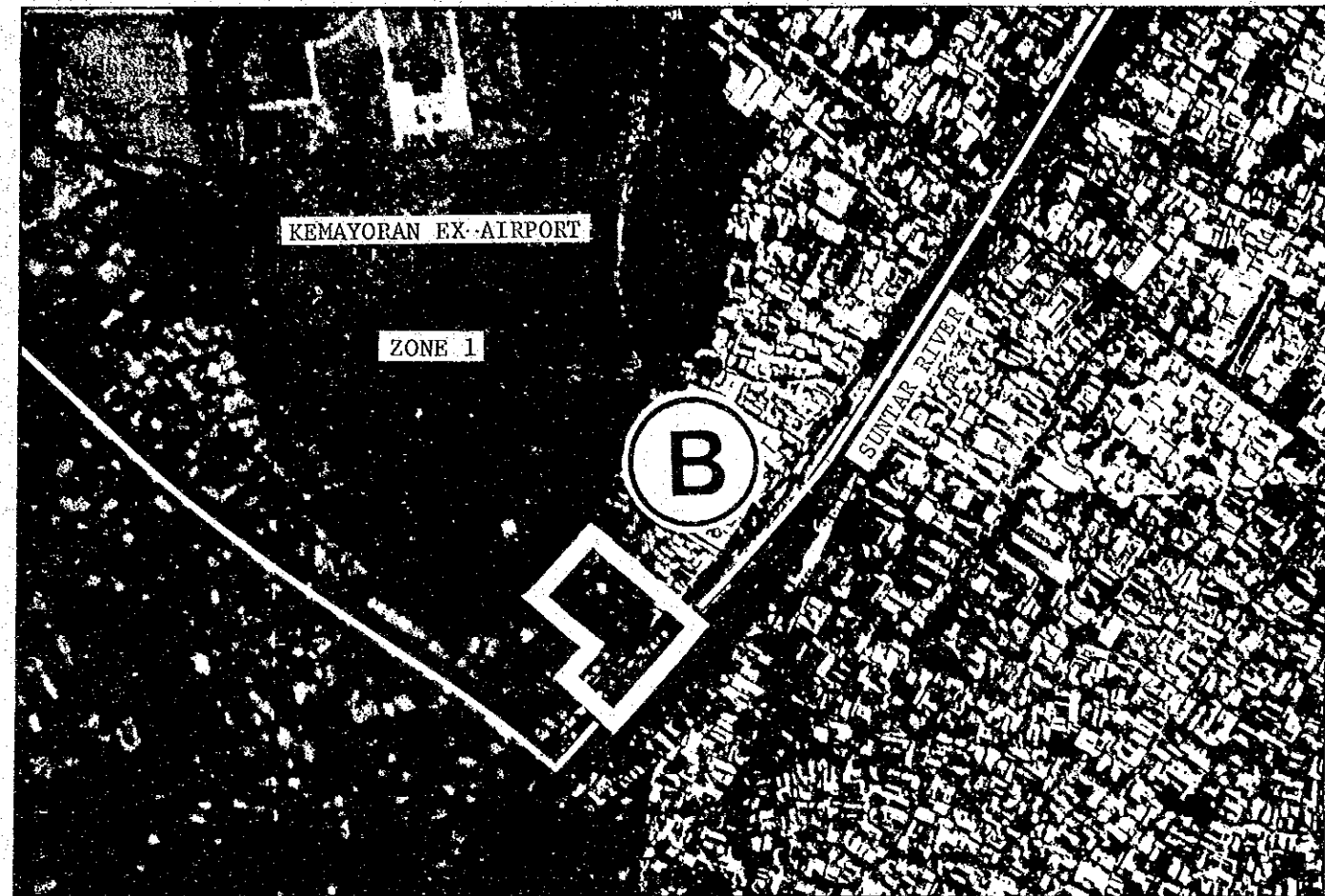
	Cost x Rp. 1,000	Source of Fund x Rp. 1,000	
Compensation	291,302	266,615	Compensation
Demolition	3,730		
Construction	466,560	115,168	Residents' own capital
Temporary House			
Other Cost	97,764	477,573	KCIU capital
Interest	1,800		
Total	859,356	859,356	

2. SITE B (CASE STUDY & PRIORITY SITE)

LOCATION MAP



AEROPHOTOGRAPHY



TYPICAL ATMOSPHERE IN SITE B

2. SITE B (CASE STUDY AND PRIORITY SITE)

2.1. GENERAL DESCRIPTION

2.1.1 Motivation

KCIU is the responsible executing body for financing and implementing the renewal of Site B. Actually, the renewal project proposed for Site B can be applied to other state owned land. The total area is approximately 12 hectares measured on available maps and it is assumed that there are more than 2,000 illegal houses there.

The basic policy of the renewal is to demolish all inferior houses but not to evacuate and render homeless the low income inhabitants living there as was the practice in many cases when and where certain large scale urban development projects were implemented. It can be said that the success of Zone 1 development is not guaranteed if it ignores those poor people who have been living, albeit illegally, in the project site.

As explained in CHAPTER III, 45% of the inhabitants in Zone 3 shall be dislocated due to the limitation of planned maximum population density. However, approximately 30% will be relocated in "Transition Houses", while 25% will be relocated to Perumnas Housing in Zone 3.

The idea of "Transition House (rental)" is to temporarily accommodate (for 10 years until total Zone 1 development is completed) those people who have very limited income or no jobs, and provide them with vocational training facilities and programmes. Upon completion of the development, sites of the Transition Houses will be cleared and used for other purpose or sold to other developers.

2.1.2 Particular Considerations

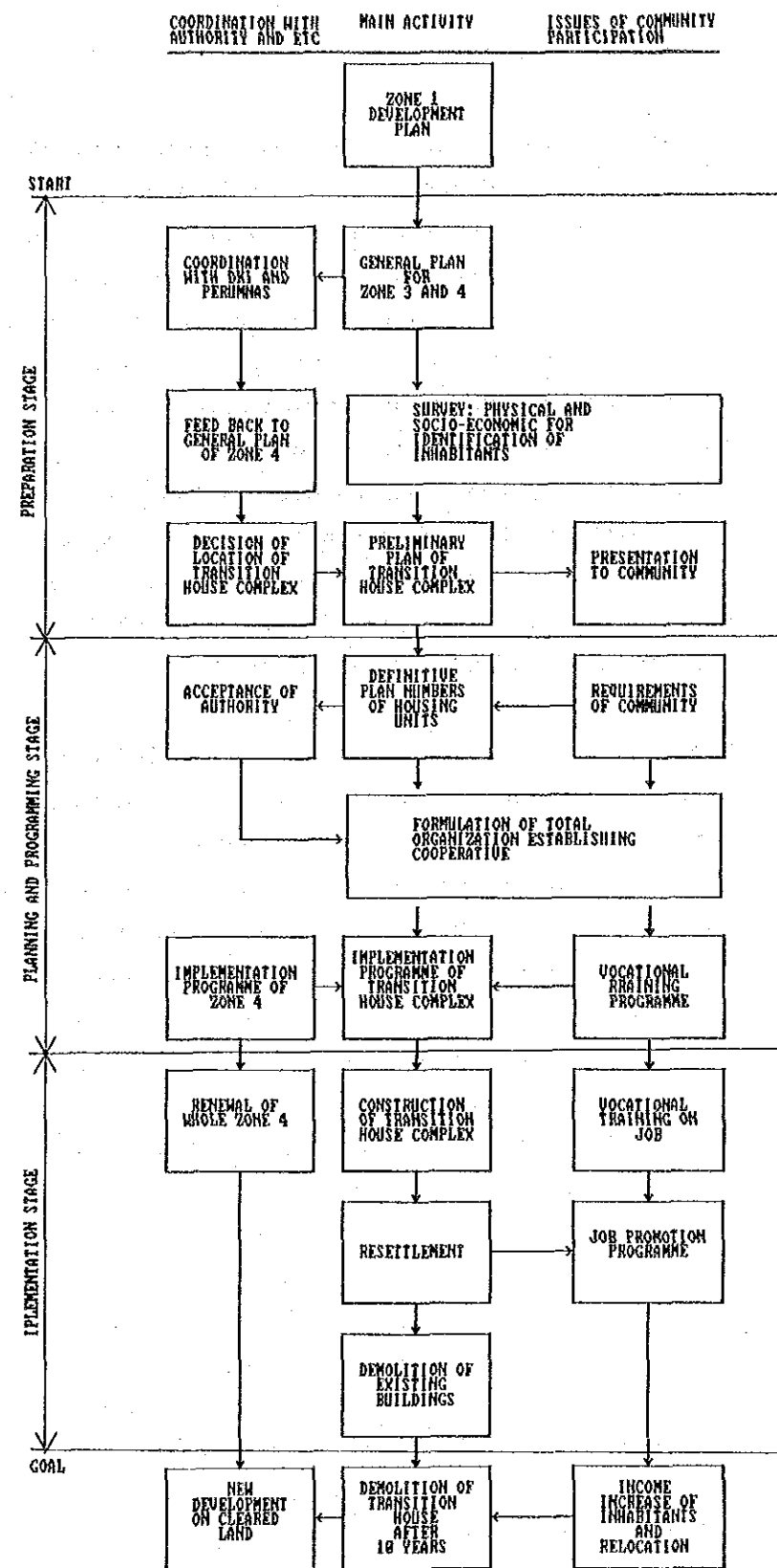
Surveys, similar to those described for Site A renewal will be carried out in Site B. In addition intensive interviews with inhabitants shall be carefully conducted by NGO in order determine eligibility among over 2,000 households to be relocated in Transition Houses. The 646 housing units planned in this analysis are not based on any interviews, investigations, eligibility surveys, etc.

It can be considered that the construction of Transition House with vocational training facilities, and their operation and maintenance will be commissioned to other bodies such as Perumnas, Sarana Jaya or the Community's own efforts assisted by NGO, etc.

General idea of vocational training is to train those predominantly unskilled people to become skilled construction workers. It is very possible that KCIU can arrange construction job opportunities to these people since Zone 1 construction will continue for some 10 years. Other employment opportunities are in offices, shops, Jakarta Fair, and cleaning, maintenance and security services in Zone 1.

It is hoped that these people would become well trained and earn sufficient income to enable them to dislocate to other better houses even before 10 years elapse. The Transition Houses could then be utilized for other urban renewal outside Zone 1 as temporary accommodations for those people involved in that renewal.

2.1.3 General Activity Flow



2.2 RENEWAL METHOD

2.2.1 Introduction

1) The renewal of Site B of approximately 4,000 M² is not carried out only but it is a part of the whole category B of approximately 12.23 ha belong to the government where assumed 2,219 houses are existing. Of the 12.23 ha area, an area of 3.54 ha shall be maintained after demolition for the purpose of new road and Perumnas housing development. Therefore new settlement is to be located in this 3.54 ha area. Under this condition, 646 housing units with neighbourhood facilities are temporarily provided giving due consideration to population density control. (See Chapter III, Section 4.3, FRAMEWORK FOR RENEWAL OF SUB ZONE (3)).

The renewal method is basically "scrap inferior houses occupying government owned land and build new structure of urban elements". However, it is essential for the success of the renewal as well as the whole Zone 1 development to consider ways to positively involve the informal sector occupying the land in order that Zone 1 development may contribute to socio-economic development.

This issue is discussed in Chapter VI, Section 3.2.2, Priority Site B, and Chapter V, Section 2.2.4, Selection of Alternative Renewal Strategy.

The strategy calling for a transitional period between "scrap" and "build" is applied to the renewal, and this period becomes an important part of the renewal method. Selection of transitional resettlers is referred to in Chapter III, Section 4.2.4, Category B Renewal.

2) The renewal method or the above mentioned strategy is described from various integrated aspects as listed hereafter:

(1) Legislative Framework

(2) Institutional Framework

- Executing Body

This is also referred to in Chapter IV, Section 3.2.7, Executing Body

- Roles of bodies relevant to the renewal

- Community participation

This is also referred to in Chapter IV, Section 3.2.3, Community Participation

(3) Financial Framework

The financial framework is referred to in Chapter IV, Section 3.3, FINANCIAL FRAMEWORK, and Chapter V, Section 2.8, FINANCIAL STUDY.

(4) Procedural Framework

The procedural framework is referred to in Chapter V, Section 2.1.8, General Activity Flow, and Section 2.7, Implementation Schedule.

2.2.2 Legislative Framework

The following are major legal factors which are necessary for the renewal implementation.

1) Permit of Renewal/Development

Site B or Category B renewal is a part of Zone 1 ex-airport development project committed under the Presidential Decree. Principal permission was already given to the executing body. However, basic formulation of urban planning and development shall be concluded under the acceptance of DKI Jakarta Municipality similarly to Site A renewal.

2) Land Clearance

The executing body has a right to clear the area in line with the laws/regulations governing the issues of Land Tenure and compensation. (Refer to Chapter IV, Section 3.1.1, Land Tenure, Section 3.1.2, Compensation, and Section 3.3.2, Compensation Model)

3) Housing

The executing body shall assume ownership of the Transition Houses.

The building permission shall be obtained under the DKI Jakarta regulation Municipality (refer to Chapter IV, Section 3.1.4, Building Planning, and Section 3.1.5, Urban Planning).

2.2.3 Institutional Framework

The executing body and the most concerned sectors/bodies to the renewal such as central/local government, authorities, agencies, private sectors as well as inhabitants community are described hereafter. The involvement of these bodies is essential to the planning and implementation of the renewal and it shall be arranged by the executing body assisted by others concerned.

1) Executing Body

KCIU under the policy set by KCMB is the executing body for the renewal.

2) Roles of bodies relevant to the renewal

(1) KCMB: Setting up general policy of Zone 1 development which reflects on Zone 4 renewal.

(2) KCIU: The executing body is responsible for financing, organizing necessary bodies, planning, programming and implementing the renewal.

KCIU shall also act as an employment agency providing job opportunities to inhabitants in Zone 1 development.

(3) DJCK: Giving recommendations on renewal methodology to KCMB/KCIU.

(4) DKI Jakarta/Walikota: Coordinating, reviewing and approving renewal plan on land use, population density, building development, allocation of neighbourhood facilities including open spaces, and consideration of urban disaster prevention.

(5) Kelurahan/Lurah Office: Coordinating administrative matters between Walikota and inhabitants through heads of RW and RT.

(6) Team 9: Evaluating rights, properties and value of inhabitants' assets.

(7) NGO: Assisting KCIU, coordinating with Lurah Office, and conducting survey on existing conditions in Category B. NGO shall organize the inhabitants at the RT community unit level and arrange physical and socio-economic surveys on existing conditions, preferably done by the inhabitants themselves under a self-help operation. One of the most important survey items shall be to identify inhabitants' jobs, incomes and willingness to work in order to determine eligibility for resettlement in Transition House and for formulating a vocational training programme.

(8) Developers/Contractors/Enterprises: Under the authority and initiative of KCIU in association with Zone 1 development, KCIU requires public and private developers, contractors and other enterprises to participate in the setting up and operation of vocational training programmes for eligible inhabitants. Those bodies provide experts, lecturers, supervisors for vocational training of the inhabitants including on-the-job-training in the development of Zone 1.

(9) BLKI: Supervising the organized experts, lectures, and supervisors of the above in order to properly manage and operate the vocational training.

(10) LKMD: If the inhabitants of Transition House wish to organize cooperative(s) under the guidance and technical supervision of NGO, LKMD would probably be involved in the establishment of such cooperative(s) or otherwise craft union(s). Financial support is expected from BPD and BUKOPIN.

(11) Housing Developer, Contractor, Operator: It may be possible to assign to Perumnas or Sarana Jaya the construction, operation and maintenance of the rental Transition House. Another possibility would be for KCIU assisted by NGO and consultants to implement the construction and the inhabitants community supervised by NGO operate and maintain the Transition House.

(12) Neighbourhood Facilities: See APPENDIX D Tables D-5 and D-6

(13) Infrastructure: See Chapter V, Section 2.4

3) Community Participation

This case study provides for 646 housing units in Category B for eligible inhabitants, which is 30% of all existing houses in Category B. The existing community is to be drastically re-structured.

Community participation in this case study basically takes two forms. Firstly it is manifested in the socio-economic survey of the whole Category B through self help. Participation is also developed in the activities related to construction operation and maintenance of transition housing, and vocational training followed by establishment of cooperative(s) or craft union(s).

Transition House and Vocational Training are very significant experiments to enhance the sense of community participation.

All activities undertaken through community participation shall be guided by NGO under the management of KCIU.

2.2.4 Selection of Alternative Renewal Strategies

After the decision of Zone 1 development the work flow proceeds as outlined in the flow chart on the right hand side. The strategy selection progresses through three B steps, with one of two significant alternatives selected in each step.

1) 2nd Step: Level-2

Alternative-1 calls for demolition of all existing inferior houses occupying state owned land. On the other hand Alternative-2 suggests the preservation of all existing inferior houses while providing all possible improvement. This alternative is considered extremely difficult, and further were such houses have a potential of becoming a nuisance and adversely affecting Zone 1 development.

2) 3rd Step: Level-3

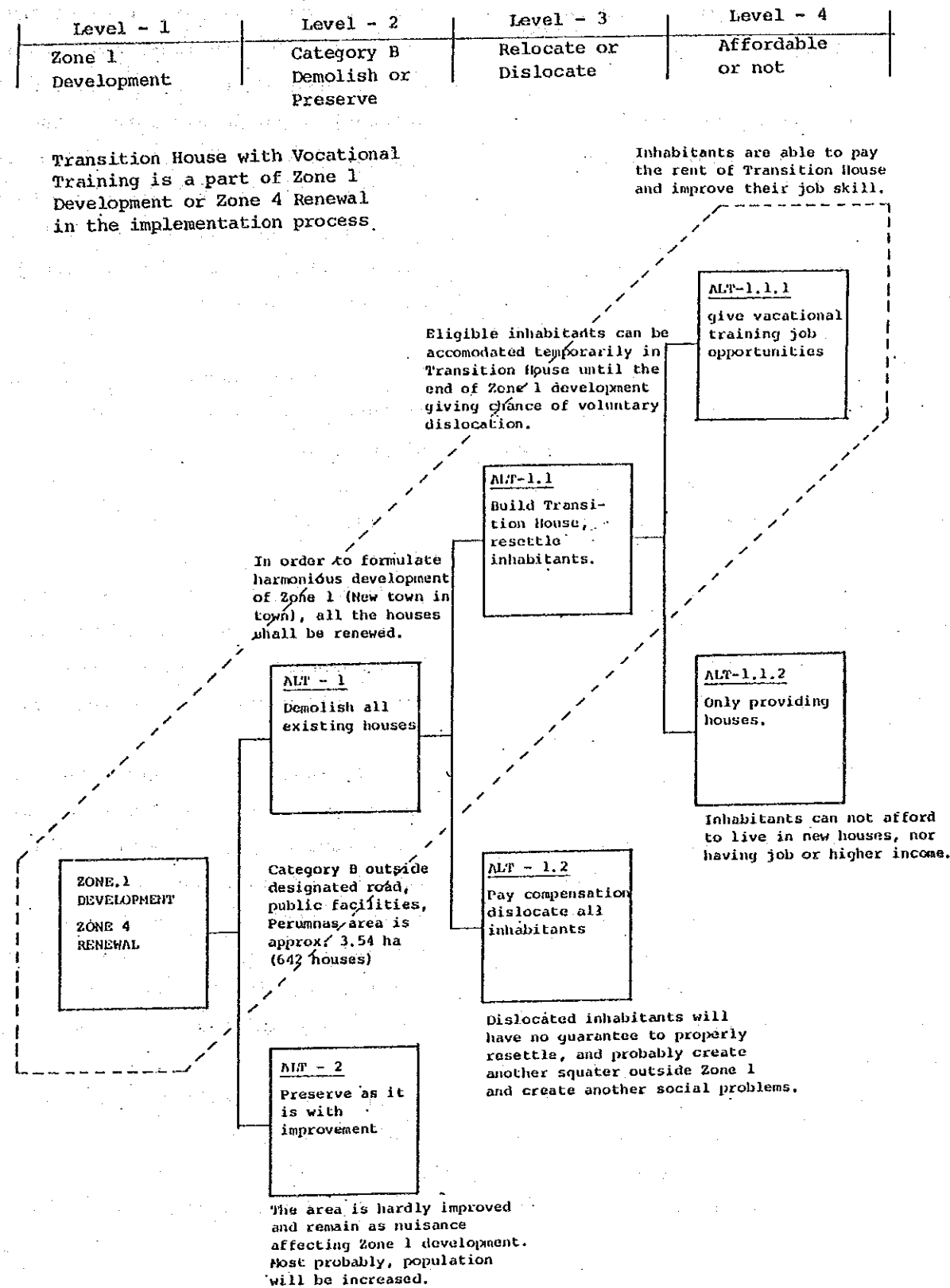
In Alternative-1.1 low cost houses shall be built for the temporary residence of eligible inhabitants until the end of Zone 1 development, giving them a chance to dislocate by themselves within a few years.

3) 4th Step: Level-4

Alternative-1.1.1 provides vocational training and job opportunities to the inhabitants, which enable them to rent Transition Houses and increase their income. Alternative-1.1.2 only offers to resettle the inhabitants temporarily. However in most cases inhabitants cannot afford to pay the rent for the accommodations offered under this alternative, and therefore it is judged not practical.

Alternative-1.2 offers to pay compensation to all the inhabitants for immediate dislocation. This alternative is not preferred as experience has shown that its application sometimes gives rise to social problems.

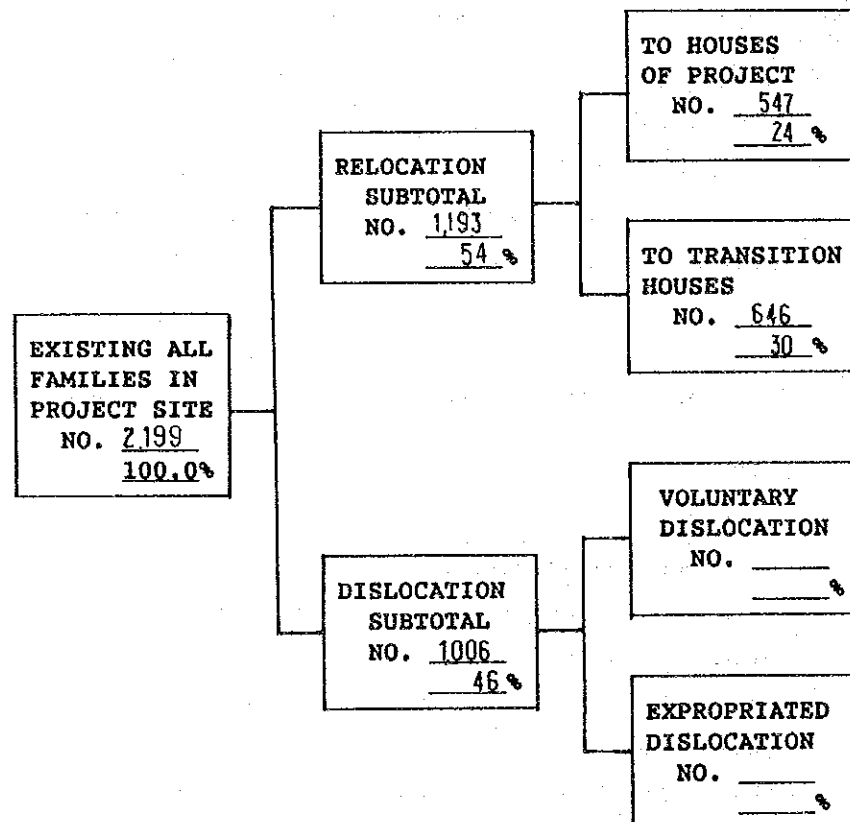
Selection of Alternative Renewal Strategies



2.2.5 Classification of Resettlement

Inhabitants of Category B in Zone 4 are to be classified into four groups.

- 1) Those inhabitants who can afford to resettle in Sub Zone 1 or Perumnas housing upon receiving compensation.
- 2) Those inhabitants who are eligible to resettle temporarily in Transition Houses.
- 3) Those inhabitants who wish to dislocate from the site disregarding whether they can afford to get better houses or not.
- 4) Those inhabitants who do not wish to dislocate but are not eligible to resettle in Transition Houses.



2.2.6 Organization Chart of Vocational Training

